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CONFIDENTIAL

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH



From the Minister

Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
London SW1

Prime Minister  
To note that Mr.  
Jopling intends to  
retaliate against French  
Golden Delicious apples,  
4 November 1986  
unless the French stop  
interfering with our lamb  
trade soon.

mt

EDP  
tt/ni

Dear Secretary of State,

**FRENCH ACTIONS DISRUPTING UK LAMB TRADE**

I am concerned that the French Customs has been continuing this week to interfere with our lamb trade despite assurances, notably by Monsieur Bosson, Minister in the Quai d'Orsay, to Lynda Chalker.

Apart from the severe inconvenience and uncertainty suffered by the industry over the last two weeks, there have been more serious consequences. A number of contracts have been cancelled. We have consistently applied pressure to get the French to return to normal levels of customs activity. On 28 October, John Gummer wrote to the French Agriculture Minister, Francois Guillaume, expressing in strong terms our concern about actions which seem to us clearly to contravene Article 30 of the Treaty. We copied this correspondence to Andriessen pointing out that we expected the Commission to institute proceedings under Article 169 if they found the French were in breach of the Treaty. It was presumably in consequence of these initiatives that we received assurances from Andriessen's Cabinet that he was putting pressure on the French, and from M Bosson himself that we could expect a rapid improvement in the situation.

After what appeared to have been a return to normality over the weekend, the special customs checks recently instituted were again being imposed yesterday. We have been told that instructions were given last Thursday that the French Customs action should cease. But there were problems again yesterday at the Rungie market. One load at St Briec was subjected to extensive checks. The situation seems to have improved today and we have no further specific complaints from our trade. But I am concerned that the French maybe playing us along and the trouble could flair up again in the next day or two. This would be intolerable. If it happens, I consider that we must be ready to take immediately some counter action in order to reinforce our representations.

/ The possible ....



The possible action which I have identified would be to increase the rate and the intensity of inspections carried out by our Horticultural Marketing Inspectorate, under EC Regulation 1035/72 as it relates to the application of endorsement of the common quality standards of fruit and vegetables. I believe there are grounds for targetting Golden Delicious apples. In recent weeks the Inspectorate has detected a higher than normal incidence of bruising, sufficient in certain cases to require regrading, of these apples. I envisage that the Inspectorate would inspect, more intensively than at present, say one in ten (as opposed to 3 to 4%) of consignments entering south or east coast ports. The trade in Golden Delicious is worth about £10m per month and this is roughly comparable with the value of our exports of lamb to France - £8-9m per month. The action would not be confined to consignments from France. But the latter constitute the great bulk of our imports of this variety.

We would need to judge carefully the disruption we caused by, for example, requiring in certain cases the total unloading of French consignments of apples (as the French have done to our lamb). HM Customs & Excise, with whom we have had discussions at official level, have understandably said that any action would need to avoid causing delays to other port users or causing congestion in the docks.

We need also to take account of the fact that action by us could be subject to legal challenge in the English courts. Depending on the circumstances, this might be successful. However, my legal advice is that, by taking the particular action I propose, we minimise the risk of such a challenge, particularly since we can point to recent evidence of incorrect grading.

The fact that we were taking this action would obviously be apparent. But it would be essential not to endorse any suggestion that what we were doing was connected in any way with the French activities over our lamb. That could only weaken any subsequently legal defence. If questioned, we should give the grounds of our increased inspections.

I shall need to judge when it may become necessary to institute this inspection system on golden delicious in the light of further developments on our lamb trade. If we need to go ahead, I should want to avoid boxing ourselves in. It would be wise to set ourselves a time limit for the duration of this action. I would have in mind three weeks in the first instance, subject to review at the end of this period, or of course earlier should there be new developments.

My officials have discussed this proposal with Departments concerned, including HM Customs & Excise who would be the most closely involved. At official level, that Department made it clear that they would be prepared to co-operate with our Inspectorate subject to certain conditions, principally that MAFF would take responsibility for what was being done. I would be happy to give the undertakings sought.

I am sending copies of this letter to the Prime Minister, other members of OD(E), Tom King, Malcolm Rifkind, Nicholas Edwards and

/Sir Robert Armstrong. ....

Sir Robert Armstrong. I would like to be able to implement my proposal very quickly if circumstances require and would be grateful if we could reach agreement by correspondence.

Yours sincerely,

Elizabeth Tams

for MICHAEL JOPLING  
(approved by the Minister  
and signed in his absence)



