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[FRAME EXTERNAL  
FRAME AGRICULTURE]

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FM FCO 301005Z JULY

TO IMMEDIATE LUXEMBOURG

TELEGRAM NUMBER 94 OF 30 JULY 1980

AND TO IMMEDIATE UKREP BRUSSELS COPENHAGEN THE HAGUE BONN

PARIS ROME DUBLIN BRUSSELS

INFO PRIORITY WELLINGTON

TELECONS HARRISON/KINCHEN AND HARRISON/MOORE

NEW ZEALAND BUTTER

1. A LETTER FROM THE FRENCH PERMANENT REPRESENTATION (COPY BY BAG) WAS CIRCULATED IN BRUSSELS ON 29 JULY CLAIMING A FRENCH RESERVE ON THE DECISION TAKEN AT THE AGRICULTURE COUNCIL LAST WEEK ON NEW ZEALAND BUTTER ACCESS FOR 1980 (YOUR TELNO 232).
2. THE MINISTER OF AGRICULTURE WISHES TO SEND A MESSAGE (TEXT IN MIFT) TO M NEY IN HIS CAPACITY AS PRESIDENT OF THE AGRICULTURE COUNCIL. GRATEFUL IF YOU WOULD TRANSMIT THIS AS SOON AS POSSIBLE.
3. UKREP BRUSSELS SHOULD DELIVER A COPY OF MR WALKER'S MESSAGE TO GUNDELACH AND INFORM DONDELINGER OF ITS CONTENTS.
4. BONN SHOULD SIMILARLY INFORM THE FRG AUTHORITIES AS THE OTHER PRINCIPAL ADVOCATES OF NEW ZEALAND IN THE COMMUNITY AND ENCOURAGE THEM TO TAKE PARALLEL ACTION IF POSSIBLE WITH THE FRENCH AS WELL AS WITH THE PRESIDENCY. OTHER EC POSTS MAY ALSO, AT THEIR DISCRETION, APPROACH THE GOVERNMENTS TO WHICH THEY ARE ACCREDITED TO INFORM THEM OF THE ACTION WE ARE TAKING.

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FM FCO 300950Z JUL 80

TO IMMEDIATE LUXEMBOURG

TELEGRAM NUMBER 95 OF 30 JULY

AND TO IMMEDIATE UKREP BRUSSELS

INFO IMMEDIATE COPENHAGEN, THE HAGUE, BONN, PARIS, ROME,

DUBLIN, BRUSSELS PRIORITY WELLINGTON

MIPT FOLLOWING IS TEXT OF MR WALKER'S MESSAGE:

COUNCIL DECISION ON 1980 ARRANGEMENTS FOR NEW ZEALAND BUTTER

1. I UNDERSTAND THAT THE FRENCH DEPUTY PERMANENT REPRESENTATIVE HAS WRITTEN TO THE SECRETARY GENERAL OF THE COUNCIL SAYING THAT HIS GOVERNMENT'S AGREEMENT TO THE 1980 ARRANGEMENTS ON NEW ZEALAND BUTTER WHICH WE AGREED AT THE COUNCIL ON 22 JULY WAS SUBJECT TO THE LEVY NOT BEING REDUCED BELOW 510 ECUS PER TONNE.
2. I AM SURE THAT WHEN YOU SUMMED UP OUR AGREEMENT YOU CLEARLY SAID THAT THE HIGHER PRICE FOR NEW ZEALAND WAS ACCEPTED IN RETURN FOR THE LOWER QUANTITY. YOU NATURALLY DID NOT MENTION THE SIZE OF THE LEVY. THE FRENCH MINISTER WANTED A REFERENCE IN THE MINUTES TO THE 1980 ARRANGEMENTS NOT BEING A PRECEDENT FOR FUTURE ARRANGEMENTS WITH NEW ZEALAND, BUT THAT WAS THE ONLY FRENCH RESERVATION. IT MUST, IN ANY CASE, HAVE BEEN CLEAR TO ALL THAT WITH THE CIF PRICE AT 75 OF THE INTERVENTION LEVEL, THE LEVY WOULD HAVE TO BE MUCH LOWER THAN 510 ECU PER TONNE.
3. THERE IS NO DOUBT THAT THE FRENCH MINISTER ACCEPTED THE PROPOSAL PUT BEFORE THE COUNCIL AND YOUR SUMMING UP WITHOUT RESERVATION AND INDEED WITHOUT ANY REFERENCE TO THE SIZE OF THE LEVY. THE FRENCH GOVERNMENT HAVE NO POSSIBLE RIGHT TO RESERVE THEIR POSITION NOW. IT WOULD CLEARLY PUT THE NEW ZEALANDERS IN AN INTOLERABLE POSITION IF THEY HAD TO WAIT UNTIL THE SEPTEMBER COUNCIL MEETING FOR THE ISSUE TO BE RESOLVED. IT WOULD BE VERY DIFFICULT INDEED AND MOST INCONVENIENT TO ALL CONCERNED TO ASK YOU TO ARRANGE ANOTHER COUNCIL MEETING NOW BUT THIS MAY

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BE THE ONLY COURSE AVAILABLE TO ME. I MUST THEREFORE APPEAL TO YOU TO EXERCISE THE RIGHTS OF THE PRESIDENCY TO MAINTAIN THE DECISION ENSHRINED IN YOUR SUMMING UP AND UNANIMOUSLY ACCEPTED BY THE COUNCIL. I HOPE YOU WILL FEEL ABLE TO EXERT THE STRONGEST PRESSURE ON THE FRENCH GOVERNMENT TO LIFT ITS RESERVE AT ONCE.

4. I AM SENDING A COPY OF THIS LETTER TO VICE PRESIDENT GUNDELACH.

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