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Sir MR B D HAYES

RESTRICTED

FM PARIS 311633Z JUL 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 657 OF 31 JULY 1980

INFO IMMEDIATE UKREP BRUSSELS AND LUXEMBOURG

INFO ROUTINE BONN BRUSSELS COPENHAGEN DUBLIN ROME THE HAGUE

YOUR TELNO 94 TO LUXEMBOURG: NEW ZEALAND BUTTER

1. WE TOLD MEHAIGNERIE'S CABINET ON 30 JULY THAT MR WALKER HAD WRITTEN TO THE PRESIDENCY. BUT SINCE THE MEMBER OF THE CABINET TO WHOM WE SPOKE WAS UNBRIEFED ON THE PROBLEM, WE ASKED MURET-LABARTHE (THE MOST SENIOR MINISTRY OF AGRICULTURE OFFICIAL ON THE COMMUNITY SIDE) IF HE COULD TELL US ABOUT THE FRENCH POSITION.

2. MURET-LABARTHE ADMITTED THAT THERE MIGHT BE A DISCREPANCY BETWEEN FRANCE'S PRESENT BLOCKING ACTION AND WHAT HAD APPARENTLY BEEN AGREED AT THE COUNCIL. NEVERTHELESS HE CLAIMED THERE WAS A LARGE GAP BETWEEN THE TRADE CONDITIONS WORKED OUT AT THE MEETING

OF JURISTS/LINGUISTS AND M. MEHAIGNERIE'S DECLARED POSITION AT THE COUNCIL, PARTICULARLY ON THE RATE OF LEVY TO WHICH HE COULD AGREE (51¢ ECUS PER TONNE). FRENCH OFFICIALS COULD NOT ALLOW SUCH IMPORTANT ARRANGEMENTS TO BE FINALISED WITHOUT A MORE PROFOUND DISCUSSION. IT MIGHT WELL BE THAT IN THE END MEHAIGNERIE WOULD FALL IN LINE WITH GUNDELACH'S REQUIREMENTS. BUT, HE SAID, THERE WAS NO HURRY AND THE COMMUNITY DISCUSSION COULD BE CONTINUED IN EARLY SEPTEMBER.

3. COMMENT. IT SEEMS PROBABLE FROM MURET-LABARTHE'S REMARKS THAT HE HIMSELF WAS THE INSTIGATOR OF THE LATEST FRENCH ACTION. THIS WOULD BE IN CHARACTER. HE HAS NEVER TRIED TO HIDE HIS PERSONAL OPPOSITION TO SPECIAL ARRANGEMENTS FOR NEW ZEALAND. HE POSSIBLY DID IT WITHOUT THE AUTHORITY OF M. MEHAIGNERIE WHO HAS BEEN ABSENT ON AN OFFICIAL VISIT TO CANADA FOR THE PAST FEW DAYS BUT IS DUE BACK LATE TODAY BEFORE GOING ON HOLIDAY ON THE EVENING OF 1 AUGUST.

HIBBERT

NNNN

SENT/E RECD AT 311720Z CDC/HD