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370

PART 5 ends:-

Record conversation between Foreign Sec
and No. 2. Opposition Leader. 21/4/71

PART 6 begins:-

UK. Ambassador, Paris to Sir D. Greenhill - 21.4.71
(~~F.co to RTA + ends of 21.4.71~~)

RECORD OF CONVERSATION BETWEEN THE FOREIGN AND
COMMONWEALTH SECRETARY AND THE LEADER OF THE
NEW ZEALAND OPPOSITION HELD AT THE FOREIGN AND
COMMONWEALTH OFFICE ON WEDNESDAY, 21 APRIL, AT
4.40 P M

EXTRACT

P.A.
m.
29/4

PRESENT:

The Rt Hon Sir Alec Douglas-
Home MP

Mr N E Kirk

Mr R M Miller

Mr I McCluney

Mr K W Kelley

EEC

1. Sir Alec Douglas-Home said that Mr Kirk would know that he had seen Sir Keith Holyoake. Mr Kirk said that there would be little difference between what he and Sir Keith Holyoake had to say. New Zealand had serious economic problems and the farmers in particular were more agitated than at any time since the depression. They were suffering from a series of cost increases and depressed prices in overseas markets. He said that there had been a great deal of diversification in the dairy industry but that production of milk powder for example depended on the market for butter. Sir Alec Douglas-Home mentioned the rise in the price of butter and said that it was clear that there was now less butter on the world market. Mr Kirk said that the surplus had disappeared. New Zealand farmers had also, of course, suffered from drought.

2. Sir Alec Douglas-Home said that Sir Keith Holyoake was to visit Common Market countries and asked whether Mr Kirk would be doing this. Mr Kirk said that he would be visiting Sweden,

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Germany and Brussels and that he would also be attending the Council of Europe. Sir Alec Douglas-Home said that the British Government had been making the New Zealand case but that it was better when this was also done by New Zealanders. He thought the work done by Mr Marshall was particularly valuable.

Mr Kirk said that he was glad a case had been made for New Zealand butter but that he was also concerned about lamb.

Sir Alec Douglas-Home said that he knew there was the possibility of an EEC regulation on sheepmeat. Mr Kirk said that he was afraid this might come sooner than expected and that a cutback in New Zealand lamb exports would be a very serious matter. New Zealand was trying to diversify her exports and her markets but increased exports to Japan, for example, prompted a Japanese request for a preferential tariff, which would affect United Kingdom exports to New Zealand. This was the sort of problem New Zealand faced.

EEC

4. Sir Alec Douglas-Home said that Mr Kirk should do everything possible to ensure that the French fully understood what the New Zealand problem in the EEC negotiations was all about. Sir Keith Holyoake would certainly be doing so. Mr Kirk said that it should be possible for the EEC countries to accommodate New Zealand and that it would help greatly if they would only bring up their own domestic consumption a little. Sir Alec Douglas-Home said that Mr Marshall would be coming to Britain again after the May meeting in Brussels and that this would be

useful. Mr Kirk said that he would come with the unanimous support of the people of New Zealand.

Distribution:

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PS (2)



Foreign and Commonwealth Office

London S.W.1

21 April, 1971.

Dear Robert,

Meeting on the EEC Negotiations on 23 April

Peter Moon wrote on 16 April about the meeting which the Prime Minister has called for 23 April to discuss the EEC negotiations. In that letter he suggested that we might prepare a paper setting out the advantages of the various alternative courses and methods of approach, which could be taken at the meeting.

I enclose a short paper, which has been approved by the Foreign and Commonwealth Secretary, setting out the main factors relating to the possibility of a meeting between the Prime Minister and Pompidou. The Prime Minister will no doubt have seen Tickell's earlier letter of 7 April to you and the draft telegrams to Paris enclosed with that letter.

The question of defence co-operation with France is dealt with in an annex to the enclosed paper.

I am sending a copy of this letter and enclosures to Norbury.

Yours sincerely

Nicholas Banning

R. T. Armstrong, Esq.,
10 Downing Street.

The EEC Negotiations and a Meeting between
the Prime Minister and President

Pompidou

Mr. Soames has reported that the Secretary General at the Elysee told him on 27 March that the vital meeting in the context of the negotiations for our membership of the Communities would be the talk between the Prime Minister and M. Pompidou; that M. Pompidou's choice was the end of May; but that it was imperative to keep this secret. We have still to send Mr. Soames instructions on how to reply substantively to M. Jobert's approach.

Do we want a bilateral summit with M. Pompidou?

2. There are dangers in planning a meeting of this kind:

- (i) if the meeting failed, negotiations for our entry into the Communities would also probably fail, though the Six might attempt a summit of their own to retrieve the position;
- (ii) once a decision to hold a bilateral summit becomes generally known, the Five will be more disposed to leave us to settle things bilaterally with France, and the steam will go out of efforts to make progress in Brussels.

3. But (i) can be argued the other way: the price of failure will be evident to M. Pompidou as well. And (ii) can be met by delaying precise arrangements until a late stage.



4. Moreover it is difficult now to avoid a summit, since M. Pompidou himself suggested it; the idea is clearly approved by the Germans and by France's other partners in the Community; and if we do not arrange a bilateral summit, there will be increased pressure for a summit of the Six which might present greater dangers for us.


5. So we should accept and plan on the basis that there will be a meeting between the Prime Minister and President Pompidou in the next six or seven weeks.

What should the meeting aim to achieve?

6. The meeting should in any case be presented as far as possible as one in the series of meetings between the Prime Minister and other heads of Government, following the meetings with President Nixon and Herr Brandt and preceding that with Signor Colombo. But the main business will be in relation to EEC negotiations, and the objective could be of three kinds:

- (a) the aim could be to create the right general atmosphere regarding Anglo/French relations, particularly in a European and Community context, in the hope that this would lead France to take a reasonable line in Brussels so that the negotiations could be successfully concluded;
- (b) in addition to (a) the meeting could aim to achieve either

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- (i) an understanding with M. Pompidou in general terms regarding the points of importance to both sides and the general direction in which each side would be prepared to move; or
- (ii) specific agreement on the main outstanding points at issue (Community finance, New Zealand butter and cheese, Commonwealth sugar and Community preference, as well as a general reassurance for France's sterling anxieties.)

Since one of the main dangers about a meeting with M. Pompidou will be the risk of subsequent misunderstandings, the more agreement can be reached in detail the better. The issues to cover are not extensive, and the Prime Minister should aim, if he cannot establish agreement with M. Pompidou on the main basic figures, at least materially to narrow present differences, to the point at which agreement will come out of the Brussels Conference.

7. Discussion at a meeting with President Pompidou will also have to cover more general questions not strictly relating to the EEC negotiations including H.M.G.'s general attitude to the development of a European identity; and the position of the French language in the Communities after enlargement. The line we take on these issues will be important in establishing the essential climate of confidence ((a) above).

/And



And the Prime Minister will also want, following Herr Brandt's advice, to make plain to M. Pompidou not only the consequences of accession, but also the consequences of failure.

Should the meeting be prepared?

8. The more we aim at a detailed agreement, the more essential it will be to prepare it before the Prime Minister sees M. Pompidou. It is unlikely that the Prime Minister's meeting with M. Pompidou would last more than two days (and undesirable that it should do so). And adequate preparation could give some reassurance that the French intended to use the meeting genuinely in an attempt to reach agreement.

Indeed M. Pompidou's remarks to the Belgian Ambassador in Paris on 5 April show that M. Pompidou is persuaded of the need for a meeting to take place when matters are sufficiently prepared to ensure agreement. We could send one or two officials discreetly to Paris for meetings with anyone M. Pompidou cared to nominate, or could talk to his representatives in London. The French would no doubt choose the former. Two meetings ought to suffice to prepare the ground. It would probably be best to avoid using M. Schumann's visit to London on 21 May as part of the detailed preparation though that meeting could no doubt contribute to creating the right atmosphere for a summit.

When should the meeting with President Pompidou take place?

9. M. Pompidou has said that the meeting should take place "at the end of May" (and after the May Ministerial meetings in Brussels on 10-12 May). We want to be sure that the

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negotiations on the major issues are concluded in Brussels before the summer holidays, and Herr Brandt wants this measure of agreement achieved in June. M. Pompidou is paying a visit to Belgium from 24-26 May. Whit Monday is 31 May. This points to the Prime Minister offering to visit Paris either in place of M. Schumann's visit here on 20/21 May or in the first days of June.

Implications for the May meeting in Brussels

10. We should not cancel these meetings, although it will be difficult to avoid a sense of crisis arising at them.

11. But we should represent to the French President, in replying to M. Jobert's approach, that it will be important to make significant progress in mid-May to ensure the right atmosphere for a meeting with M. Pompidou. We must try to use this argument to get the French to move in Brussels in May. But to the extent that it is not possible to get them to move to meet us on the major issues, we must try to persuade our friends in the Community to ensure that the crisis resulting from an unsuccessful May meeting occurs within the Six, rather than between Britain and the Community as a whole.

Immediate Action

12. The Prime Minister should send President Pompidou a written message on the lines enclosed with Mr. Tickell's letter of 7 April to Mr. Moon. It will be right that the Prime Minister should now take the matter up personally in writing with M. Pompidou. (Herr Brandt, Signor Colombo and M. Pompidou are all corresponding personally on the enlargement

/of



of the Communities.) And this will serve to commit M. Pompidou from now on as closely as possible to the outcome, including our objectives for the Brussels meetings in May, and avoid misunderstandings.

13. Herr Brandt should be told of the action taken immediately after the delivery of the message in accordance with the request which he made to the Prime Minister in Bonn.

