

## 'Britain gives a cool reception to the Six's agreement on New Zealand produce' from Le Monde (23 June 1971)

**Caption:** On 23 June 1971, the French newspaper Le Monde comments on the outcome of lengthy negotiations between the United Kingdom and the Six on the subject of importing agricultural produce from New Zealand to the European common market.

**Source:** Le Monde. dir. de publ. Fauvet, Jacques. 23.06.1971, n° 8 223; 28e année. Paris: Le Monde. "Les Britanniques accueillent fraîchement l'accord des Six sur les produits néo-zélandais", auteur:Lemaître, Philippe , p. 1; 2.

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## Britain gives a cool reception to the Six's agreement on New Zealand produce

The meeting of Common Market Foreign Ministers ended at about 3 a.m. in the night of 21 to 22 June after an agreement had been reached on the extent of the concessions to be offered to New Zealand's butter and cheese producers. On Tuesday morning, learning that the agreement had received a cool reception from the British and had been rejected out of hand as 'inadequate' by the New Zealand representatives, the Ministers thought it preferable to await Geoffrey Rippon's official reaction before embarking on their discussion of Britain's contribution to the Community budget. They were due to meet the British Delegation, led by Mr Rippon, on Tuesday afternoon.

'It is not yet a deadlock, but we are very close to one, and I have lost confidence,' said the Netherlands Foreign Minister, Joseph Luns, late on Tuesday morning. 'Moreover, the Italian, Belgian, German and Luxembourg Delegations are of the same opinion.' France hardened its position considerably this morning, especially on the issue of Britain's contribution to the European budget.

The Six also adopted a general statement on the organisation of offshore fishing in which they explained that they fully appreciated the difficulties facing the applicant countries, were prepared to amend the current regulation and would be putting forward detailed proposals over the next few weeks.

From our special correspondent Philippe Lemaître

European Communities (Luxembourg). — Not without difficulty, and after a number of setbacks, the meeting of EEC Foreign Ministers chaired by Maurice Schumann finally reached agreement, at the end of a long night sitting, on the extent of the concessions that the Community is prepared to grant New Zealand.

Talks among the Six went very smoothly at first. The Ministers met Mr Rippon at 5 p.m., as planned, and both sides quickly concluded they were in agreement on the terms of Britain's adjustment to ECSC rules and on the manner of its participation after accession to an enlarged Community.

That done, they returned to serious matters, i.e. the problem of Britain's contribution to common expenditure and, above all, the question of New Zealand butter and cheese exports, the main issue discussed by the Six.

New Zealand's Deputy Prime Minister, John Marshall, had made the journey to Luxembourg so as to ensure that nobody was unaware of the great importance that New Zealand attached to the matter. Around dinner time, Mr Schumann was asked, as Chairman of the Council, to sound out Mr Rippon on the two major issues on the agenda.

He came back visibly annoyed, describing the discussion as 'disappointing, not to say completely negative'. Mr Rippon's demands with regard to New Zealand apparently went far beyond the concessions that the French Minister had in mind. After the Six had again tried, unsuccessfully, to agree on a compromise, the Council asked Jean-François Deniau to go and see the Head of the British Delegation. The news that he brought back was hardly encouraging. The British wanted authorisation to purchase from New Zealand, at the end of the five-year transitional period, quantities of butter equivalent to 85 % of their current imports and to 25 % in the case of cheese. Needless to say, they were also insisting that the concessions granted to their former dominion should be extended, where necessary, beyond 1977.

### The proposal from the Six

Finally, drawing on suggestions made over the last few months by the Netherlands, Mr Schumann put to his colleagues a compromise that, with a few minor changes to the wording, eventually constituted the position adopted by the Community later that night. The French accepted that, in 1977, i.e. during the final year of the transitional period, the Community would guarantee New Zealand butter and cheese exports amounting in 'milk equivalents' to 66 % of its current sales to Britain. In ordinary language, that meant that, at the end

of the five-year period, the concessions granted to New Zealand would still apply to quantities equivalent to 75 % of their current butter exports (170 000 tonnes) and to 20 % of their cheese exports (75 000 tonnes). From 1978 onwards, there would be no concessions of any kind for cheese. In the case of butter, it would be for the institutions of the enlarged Community to consider, in the light of the situation in New Zealand and the Community, whether it was appropriate to extend the quantitative guarantees beyond the transitional period, with the proviso that a decision to extend them must be taken unanimously. The Community also reserved the right, depending on the situation on the European market, to apply the quantitative guarantees granted to New Zealand flexibly, i.e. to import, as the case may be, more butter than stipulated and less cheese, or vice versa.

In conclusion, the text duly stated that the Six would maintain this generous proposal only insofar as a reasonable and satisfactory arrangement was found with regard to Britain's contribution to the European budget.

Agreement among the Six on this text was held up for quite a while by an unexpected demand from Aldo Moro. Did the Italian Foreign Minister, who will be in London next week, wish to give further proof of his government's extreme goodwill regarding Britain's position? The fact is that he called — unsuccessfully in the event — for an even more generous reduction for the British, in an offer which, in particular, no longer stated that extension of the concessions beyond 1977 would require the unanimous agreement of the Community's 10 Member States. Nor did the Italian Minister see any need to establish a link between maintenance of the proposal concerning New Zealand and the Six's assessment of how accommodating Britain was prepared to be on the question of its contribution to the European budget.

In the end, Mr Moro did not get his way: provided that a few minor changes were made to the wording, he agreed to go along with what then became the common position of the Six. France had taken Italy's reservations very badly, since, in its view, it was only right for its partners to acknowledge the effort that it was making to meet British demands, given its previous insistence that the guaranteed outlets granted to New Zealand butter producers should be reduced regularly and very considerably during the years immediately following accession. Mr Schumann had accepted a considerable easing of the idea of degressive concessions, since it was now envisaged that sales of New Zealand butter to Britain would drop by only 25 % after five years.

### **Excessive concessions**

It remains to be seen whether Mr Rippon will accept the arrangement proposed by the Six. Before leaving the Kirchberg building, having just been informed of the Community's common position by Mr Schumann, he said that he was 'not displeased': 'progress has been made, but there is still a long way to go.' How will he react after talking to Mr Marshall? Forecasts at dawn on Tuesday were pessimistic, and many people who had taken part in the talks were convinced that he would reject the Community's text and hold out for more. If that were to be the case, the negotiations could be very strained. As we have seen, the French already feel that they have gone a long way towards meeting London's demands, and they have stated publicly that they are not prepared to go any further. For political and psychological reasons, i.e. to avoid giving the general public in France the impression that the concessions have been completely one-sided, Mr Schumann seems concerned to secure an arrangement on the question of the British contribution to EEC expenditure that can be considered highly satisfactory for Paris. It is thought that the Six will quickly adopt a common position on this issue on the basis of the proposals put to them by Mr Deniau on behalf of the Commission. According to those proposals, the British contribution would be 8 to 9 % of the total budget in the first year of the five-year transitional period (1973) and reach around 19 % in the final year (1977). For a maximum of two years after the end of the transitional period, the normal operation of the financial settlement could be adjusted to prevent the British contribution from rising too sharply.

Philippe Lemaître