

OPS

Subject file  
CAP - Pt 6



Please tell Mr. Walker 2  
T146/80  
that we must support  
Mr. Muldoon totally on 45  
J2

NEW ZEALAND HIGH COMMISSION

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Telephone: 01-930 8422 Telex: 24368

PRIME MINISTER'S

PERSONAL MESSAGE 18 July 1980

SERIAL No. T146/80

Prime Minister

From the High Commissioner  
H.E. The Hon L. W. Gandar

Rt. Hon. Margaret Thatcher,  
Prime Minister,  
10 Downing Street,  
LONDON.

(MAPP are drafting a  
reply)

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18/7

Dear Prime Minister,

The Prime Minister, The Rt. Hon. R.D. Muldoon, has asked me to pass urgently to you the following message:

"Dear Margaret,

Commissioner Gundelach's brief visit to New Zealand has just concluded. He returns today to Brussels where he will report to the Council of Agriculture Ministers next Tuesday. My purpose in this letter is to inform you of my current position on the sheepmeats question with a view to the Council meeting.

Gundelach and I were able to reach agreement on all aspects of a voluntary restraint agreement except one. To arrive at this position we made a number of concessions which limit our freedom of marketing within the Community. Despite these concessions Commissioner Gundelach was unable to make a satisfactory offer on the tariff. Gundelach's best offer, which he said took him well beyond his mandate from the Agriculture Ministers Council, was a reduction from the present 20 percent to 10 percent. I was obliged to tell Gundelach, after consulting with our farmer organisations, that I saw a reduction to 8 percent as essential. In the end he agreed to report that to the Council on 22 July.

As you know I began from the position that under the new voluntary restraint concept there was no need for a protective tariff. It becomes an unjustified tax on the New Zealand producer making him a contributor to the Community budget. However, I was persuaded by Gundelach's arguments to move away from my previous insistence upon complete removal of the tariff. Instead I judged that our interests could be safeguarded by a reduction to 8 percent.

Cont'd...

I am concerned now that at the 22 July Council meeting, in explaining the sole remaining area of difference between us, Gundelach should give full weight to the distance New Zealand has come to meet both the legal and political concerns Gundelach felt would be expressed in the Council, particularly by the French Government.

Our attitude to tariff reduction must be seen by the Council as reasonable, not only because it is a conciliatory movement in itself, but also because it constitutes the one area in the entire package where New Zealand can be seen to be receiving compensation from the Community for the considerable trading restrictions we stand prepared to accept.

I believe that, with a further small movement by the Community on the tariff, the package negotiated with Gundelach is a fair and reasonable balance, meeting the essential concerns of both sides.

May I, therefore, ask you to exert your influence, through Peter Walker, to bring about a rapid and satisfactory resolution of this matter at next week's Council meeting.

With warm regards,

Yours sincerely

Rob Muldoon"

*Yours sincerely,  
Herrie Lander*