



Bonnie Minister  
The F.O. are drafting a  
reply with the A.A.P.F.  
Hunt

2 June, 1980

The Rt. Hon Margaret Thatcher, M.P.,  
Prime Minister,  
10 Downing Street,  
LONDON SW1.

Thatcher

Dear Prime Minister,

I have been asked to convey urgently to you the following views of the Government of Australia.

The Australian Government notes that broad agreement has been reached within the Community on the shape of a common regime on sheepmeat. While we do not have details our understanding is that it includes provision for intervention in France and some other countries. It is our belief that a regime of this kind will be likely over time to disturb the existing supply/demand relationship for sheepmeat in the Community and have implications for world trade beyond the Community's market.

We understand, furthermore, that all member countries, except for Britain, and some others reluctantly, indicated a preparedness to accept export restitutions.

Australia is the largest supplier of sheepmeat and sheep for slaughter to markets outside the EC. Hence we have a vital interest in any Community policy towards restitutions. We are, of course, also concerned that New Zealand, as the largest supplier, and Australia should continue to secure access to the Community at a fair and reasonable level of trade.

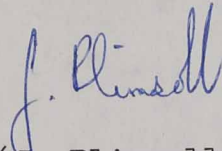
The introduction by the Community of a restitution mechanism would inevitably lead over time to the dumping of EC sheepmeat on world markets at highly subsidised prices.

The Government wishes to repeat the advice which it has previously given to the members of the Community and its Commission that the Community should not develop a policy of subsidised pricing of exports of sheepmeat to third countries.

Copies of this message are being sent to the Secretary of State for Foreign and Commonwealth Affairs, to the Minister for Agriculture, Fisheries and Food and to the Secretary of State for Trade.

I remain,

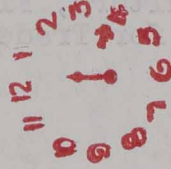
Yours sincerely,



(J. Plimsoll)  
High Commissioner

Copies of this message are being sent to the Secretary  
of State for Foreign and Commonwealth Affairs, to the  
Minister for Agriculture, Fisheries and Food, and to the  
Secretary of State for the Colonies.

2 - JUN 1960



High Commissioner  
(S. Ellwood)