

*Envo PR.*

*for  
Min. 22/7*

*Am very strongly of  
the opinion that we  
support Mr. Muldoon  
all the way*

PRIME MINISTER

NEW ZEALAND SHEEPMEAT: MR MULDOON'S MESSAGE OF 18 JULY

1 I have seen Peter Walker's minute on this subject and agree with him about the risks which we and the New Zealanders will both face if we make a reduction in the tariff to 8% a sticking point at the 22 July Agriculture Council. This does not mean we should make no attempt to give the New Zealanders satisfaction on this point. We should clearly argue as hard as we appropriately can that it is reasonable of them to seek 8%. But I hope nonetheless you can agree to give Peter Walker discretion not to make this a sticking point if it becomes clear that the Agriculture Council is prepared to endorse the terms negotiated by Gundelach during his visit to New Zealand subject only to insistence on a 10% tariff.

*Remember what  
Mr Walker  
said about  
N.Z. having  
a veto  
when you all  
relieved from  
the Council  
Minister  
meeting  
etc.*

2 If you accept this recommendation you may like to send Mr Muldoon a reply to his message in advance of the Council Meeting. I attach a draft which because of the time difference with New Zealand would have to be despatched during the course of Monday, 21 July, at the very latest.

3 I am sending copies of this minute to the other members of CD(E) and to Sir Robert Armstrong.

*[Handwritten signature]*

20 July 1980

CARRINGTON

(Approved by the Secretary of State and signed in his absence)



DSR 11 (revised)

DRAFT: ~~TELEX~~ ~~letter~~ ~~MEMO~~ ~~REPORT~~ ~~NOTE~~

TYPE: Draft/Final 1+

FROM:

Reference

The Prime Minister

DEPARTMENT:

TEL NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Mr Muldoon  
(Prime Minister of New Zealand)

Copies to:

PRIVACY MARKING

SUBJECT:

In Confidence

CAVEAT

Thank you very much for your message bringing me up-to-date on the outcome of your talks with Commissioner Gundelach. I greatly admire what you have been able to secure for New Zealand. The language on export restitutions is explicit and particularly helpful. You have managed to achieve something quite unprecedented in negotiations with the Community on agricultural trade.

Naturally I regret that Gundelach was not able to meet you on your request for an 8% tariff. When he reports to the Agriculture Council, Peter Walker will make it plain that we regard an 8% tariff as entirely reasonable.

I should not conceal from you that I do not however think the chances of getting agreement on that basis are at all good. We shall inevitably face opposition not least from the French who made it clear at the beginning that they thought an 18% tariff would be appropriate. And I am sure you will appreciate the danger that prolonged argument on this point may make it easier for France to question other aspects of the package which have been agreed.

I agree very much with your objective of a rapid and satisfactory resolution of this matter. I hope we shall be able to achieve this.

Enclosures - bag(s)