SUBJECT PRIME MINISTER'S

CONFIDENTIAL

PERSONAL MESSAGE

TEXT OF A LETTER TO THE RT. HON. MARGARET THATCHER

FROM THE RT. HON. R. D. MULDOON - 12 DECEMBER 1980

"Dear Margaret,

Thank you for your message of 17 November, and for the continuing efforts you, Peter Carrington and Peter Walker have made to secure a satisfactory result on the matter of post-1980 access for New Zealand butter. I can assure you that they are greatly appreciated here.

It is disappointing, to say the least, that despite Peter Walker's sterling efforts, the Agriculture Council failed to resolve the question this week on the basis of the Commission's proposals and the matter will now be carried over to the Special Council on 18 December. France's public explanation of its position, that the Community should not enter into an arrangement of more than one year's duration, in view of the restructuring of the agricultural and financial sectors which the Community has to tackle next year, exhibits a selective approach. Not so long ago it was New Zealand which was being requested by the Community to enter into a long-term arrangement to allow the introduction of a Common Market for sheepmeat, many features of which were incorporated especially with a view to protecting France's concerns.

The French public explanation for their position is, therefore, logically faulty. It is increasingly clear, however, that France seeks advantage in other areas from adopting such an intransigent position on New Zealand butter and I understand that there have been indications that France might be prepared to move in the direction of the Commission's proposals in return for concessions by Britain in other fields.

Naturally New Zealand is far from being disinterested in whether such an arrangement is possible, but we are not in a position to assess whether French objectives would require the sacrifice of significant British interests. Nor would it be our business to make such an assessment. I can only say that if acceptable ways can be found to move the French towards agreement to a solution which provides the security and certainty of access which we need, then New Zealand would be grateful indeed.

In the interval before the Special Council we will continue to make every effort to persuade the French to move and I intend to make a further approach to the President to try again to secure a recognition of the importance of the question to New Zealand.

> With kindest regards, Sincerely,

Rob Muldoon."



1242/80

Prime Minister Wellington New Zealand

12 December 1980

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Rax ambdoon