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1/4/84

Subject hlewom
New Zealand
Int sit Feb 81

cc Subject
Master

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T49 A/84

BEGINS:

DEAR MARGARET,

I HAVE JUST RECEIVED REPORTS OF THE OUTCOME OF THE MEETING OF AGRICULTURE MINISTERS IN BRUSSELS. WHAT THE COUNCIL HAS PROPOSED IS CLEARLY NOT ACCEPTABLE TO NEW ZEALAND. NEITHER DOES IT SERVE THE COMMUNITY'S OWN BEST INTERESTS.

WHEN I VISITED DUBLIN IN FEBRUARY DR FITZGERALD AND MR DEASY LED ME TO BELIEVE THAT ONCE THE IRISH HAD OBTAINED SOME SAFEGUARDS FOR THEIR DAIRY FARMERS FROM THE PROPOSED 'SUPER LEVY', AS THEY APPEAR TO HAVE DONE, THEY WOULD NOT STAND IN THE WAY OF A SETTLEMENT ON OUR ACCESS. I HAVE WRITTEN THEREFORE TO DR FITZGERALD EXPRESSING MY SURPRISE AT THE ATTITUDE MR DEASY TOOK IN THE COUNCIL AND EXPRESSED THE HOPE THAT AFTER A PERIOD OF REFLECTION IRELAND MIGHT ADOPT A MORE BALANCED AND REASONABLE PERSPECTIVE. I WOULD THEREFORE ASK THAT THE NEXT FOREIGN MINISTERS COUNCIL IN LUXEMBOURG ON 9/10 APRIL TAKE UP THESE QUESTIONS AGAIN.

I WOULD ALSO LIKE TO CONVEY TO YOU OUR VERY GREAT CONCERN AT THE EFFECT THE COUNCIL'S DECISION TO REDUCE THE INTERVENTION PRICE FOR BUTTER WILL HAVE ON OUR RETURNS FROM THE BRITISH MARKET. WE ESTIMATE THAT WE COULD BE FACED WITH A LOSS OF REVENUE OF APPROXIMATELY \$30 MILLION A YEAR UNLESS STEPS ARE TAKEN TO SECURE A COMPENSATORY REDUCTION IN THE LEVY WE PAY ON OUR EXPORTS. WARREN COOPER HAS ALREADY DISCUSSED THIS WITH MICHAEL JOPLING AND I WOULD BE GRATEFUL FOR ALL THE HELP YOU CAN GIVE US.

KIND REGARDS,

ROB MULDOON.

ENDS