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Subject: New Zealand  
Feb 81 Relations

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. TS4A184

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DD 082100Z WELLINGTON

GRS 493

RESTRICTED [FRAME AGRICULTURE/EXTERNAL]

DESKBY 082100Z

FM FCO 081944Z APR 84

TO IMMEDIATE WELLINGTON

TELEGRAM NUMBER 104 OF 8 APRIL

INFO ROUTINE ALL EC POSTS

MY TELNOS 46 AND 47 TO DUBLIN: NEW ZEALAND BUTTER

PLEASE CONVEY THE FOLLOWING REPLY FROM THE PRIME MINISTER TO

SIR ROBERT MULDOON'S MESSAGE OF 1 APRIL:

BEGINS

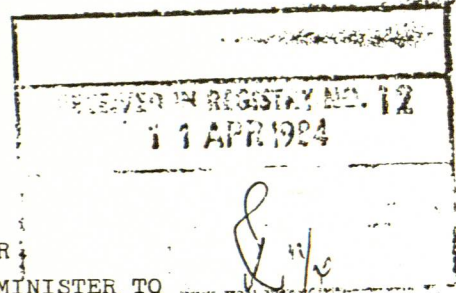
DEAR ROB,

THANK YOU FOR YOUR MESSAGE OF 1 APRIL. I TOO WAS SURPRISED AND CONCERNED AT THE OUTCOME OF THE AGRICULTURE MINISTERS' MEETING ON 31 MARCH IN RELATION TO IMPORTS OF NEW ZEALAND BUTTER, AND WE HAVE MADE THIS VERY CLEAR TO THE IRISH GOVERNMENT. WE HAVE NEVER ACCEPTED A LINK BETWEEN REFORM OF THE COMMON AGRICULTURAL POLICY AND THE COMMUNITY'S UNCONDITIONAL OBLIGATIONS TO NEW ZEALAND. BUT NOW THAT AGREEMENT HAS BEEN REACHED ON REFORM OF THE MILK REGIME - INCLUDING SPECIAL PROVISIONS FOR IRELAND - THERE CAN BE NO POSSIBLE JUSTIFICATION FOR CONTINUING TO DENY NEW ZEALAND A FULL FIVE YEAR ARRANGEMENT OF THE KIND ORIGINALLY PROPOSED BY THE COMMISSION.

YOU WILL CERTAINLY HAVE OUR STRONG AND CONTINUING SUPPORT IN SEEKING THIS. I UNDERSTAND HOW URGENT THIS QUESTION IS FOR YOU, BUT, THOUGH WE - AS WELL AS THE DUTCH AND, I HOPE, OTHERS - WILL BE PUTTING OUR VIEWS FIRMLY ON THE RECORD UNDER 'OTHER BUSINESS' AT THE FOREIGN AFFAIRS COUNCIL AT LUXEMBOURG ON 9/10 APRIL, I REALLY DO NOT BELIEVE THAT IT WOULD BE TACTICALLY WISE FOR US TO SEEK A SUBSTANTIVE DISCUSSION THEN. THE MAIN FOCUS OF THE MEETING WILL AGAIN BE OUR BUDGET PROBLEM, AND THOUGH WE HAVE COME A CONSIDERABLE WAY IN SEVERAL RESPECTS SINCE THE EUROPEAN COUNCIL WE DO NOT EXPECT NEXT WEEK'S DISCUSSION TO BE EASY. I DO NOT THINK YOU WOULD HAVE REASON TO BE GRATEFUL TO US IF BY PROMOTING SUBSTANTIVE DISCUSSION OF NEW ZEALAND BUTTER AT

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THE FOREIGN AFFAIRS COUNCIL, WE ENCOURAGED OTHER MEMBER STATES TO INVOLVE YOU IN OUR BUDGETARY DIFFICULTIES.

FOR THE TIME BEING, I AM SURE THAT THE MAIN FOCUS OF OUR EFFORTS SHOULD BE THROUGH BILATERAL CONTACTS. I WAS GLAD TO SEE THAT YOU HAD WRITTEN TO MR FITZGERALD AND MR DEASY: THE PRESIDENCY AND THE COMMISSION, TOO, WILL HAVE AN IMPORTANT ROLE TO PLAY. IN SPEAKING TO THE FRENCH, I AM SURE YOU WILL WANT TO BEAR IN MIND THEIR STRONG INTEREST IN RENEWAL OF THE SENSITIVE AREA PROVISIONS FOR SHEEPMATE. MEANWHILE GEOFFREY HOWE WILL BE SPEAKING IN THE MARGINS OF THE FOREIGN AFFAIRS COUNCIL TO THE IRISH, AND TO THE PRESIDENCY: WE CAN CONSIDER WHAT MORE NEEDS TO BE DONE IN THE LIGHT OF THESE CONTACTS.

YOU MENTIONED ALSO YOUR CONCERN, WHICH WE UNDERSTAND, ABOUT THE EFFECTS OF THE EC PRICE SETTLEMENT FOR MILK ON NEW ZEALAND'S RETURNS. I THINK THIS HAS TO BE PURSUED WITH THE COMMISSION. BUT I BELIEVE IT MAY BE EASIER TO DO SO IF THE AGREEMENT ON ACCEPTABLE ACCESS ARRANGEMENTS IS TIED UP FIRST. INDEED TO PRESS THIS ISSUE WITH OTHER MEMBER STATES BEFORE THE 5 YEAR AGREEMENT IS SETTLED, WOULD, I AM SURE, MAKE IT MUCH MORE DIFFICULT TO SECURE THAT AGREEMENT.

WE SHALL STAY CLOSELY IN TOUCH WITH YOU AS THINGS MOVE FORWARD.

WITH BEST WISHES, MARGARET THATCHER.

ENDS

HOWE

NNNN

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