

#### 10 DOWNING STREET

From the Private Secretary

4 April 1984

#### EC/New Zealand

I enclose a copy of a letter which the Prime Minister has received from the Prime Minister of New Zealand requesting further help on New Zealand butter.



I should be grateful if you could let me have a suitable draft reply for signature by the Prime Minister.

I am copying this letter and enclosure to Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

Roger Bone Esq Foreign and Commonwealth Office.

4 April 1984

The Prime Minister has asked me to thank you for your letter of 4 April enclosing the text of a message addressed to her on 1 April by the Prime Minister of New Zealand.

AJC

His Excellency The Honourable William L. Young.





Could I pl. see the paper showing what artis was take on the

## NEW ZEALAND HIGH COMMISSION earlie review?

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From the High Commissioner H.E.The Hon W. L. Young

4 April 1984

Dear Mr. Shatcher

I am pleased to enclose the message on the New Zealand butter issue addressed to you on 1 April by the Prime Minister of New Zealand, the Rt.Hon. Sir Robert Muldoon. The cabled text of this communication was delivered informally to Downing Street on Sunday morning.

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yours Sincerely
bill yours

Rt.Hon.Margaret Thatcher, MP, FRS Prime Minister 10 Downing Street London SW1



#### 10 DOWNING STREET

John Afc. 2 On Times advice I gave the PM a copy of this last right of this last right the sent copies to FCO & MATT asking for advice.



# PRIME MINISTER'S PERSONAL MESSAGE SERIAL NO. T49 A 184

Prime Minister
Wellington
New Zealand

1 April 1984

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.

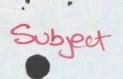
When I visited Dublin in February Dr Fitzgerald and Mr Deasy led me to believe that once the Irish had obtained some safeguards for their dairy farmers from the proposed "super levy", as they appear to have done, they would not stand in the way of a settlement on our access. I have written therefore 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,

(Signed) BOB MULDOON

Rt.Hon.Margaret Thatcher, MP, FRS Prime Minister 10 Downing Street London SW1



cc Master

### PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T494184

BEGINS:

I HAVE JUST RECEIVED REPORTS OF THE OUTCOME OF THE MEETING DEAR MARGARET,

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 LUXEM-BOURG 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 APPROXIM-ATELY \$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,

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ROB MULDOON .

ENDS