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Secretary of State for Trade and Industry

8 December 1983

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Prime Minister ②
To note AT 9/12

Dear Andrew,

ROLLING BACK PROTECTIONISM

Thank you for your letters of 21 November and 1 December recording the Prime Minister's agreement to my Secretary of State's proposals in his minute of 18 November on rolling back protectionism, and endorsing the Chancellor's suggestion that he prepare a paper on the Government's strategy towards trade liberalisation for discussion in E(S). Mr Tebbit is happy to provide such a paper, which should be ready early in the New Year.

2 On the specific points raised, I can confirm that the proposals in my Secretary of State's minute will not affect the agreements which restrain exports of textiles and footwear to the UK.

3 On the US restrictions on speciality steels, the Prime Minister will be aware that we are pressing hard in the Community and GATT for full compensation, and the Community decided, at the Council in Brussels on 29 November, to retaliate against the US if there is no substantial improvement in the US offer by 14 January 1984.

4 Perhaps I should also record that the discussion on the "rollback" issue at the Foreign Affairs Council in Brussels on 29 November was, in the event, very brief. The French were not yet ready for a substantive discussion, although it is intended that the Council will return to the subject at the December Council later this month. I am sending copies of this letter to the Private Secretaries to members of E(S) Committee and to Richard Hatfield (Cabinet Office).

Yours ever,

Ruth

RUTH THOMPSON
Private Secretary

Trade
Tariff Bremen
Pt 3.

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1111 WASHINGTON STREET
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10 DOWNING STREET

From the Private Secretary

1 December 1983

Rolling Back Protectionism

The Prime Minister has seen the minutes from the Foreign Secretary and the Chancellor, commenting on your Secretary of State's minute of 18 November. She agrees that we should be looking ahead to the later stages of the programme to reverse protectionism and she therefore endorses the Chancellor's suggestion that your Secretary of State should prepare a paper on the Government's strategy towards trade liberalisation, for discussion in E(S).

I am sending copies of this letter to the Private Secretaries to members of E(S) Committee and to Richard Hatfield (Cabinet Office).

Andrew Turnbull

Callum McCarthy, Esq.,
Department of Trade and Industry.

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10 DOWNING STREET

Prime Minister ①

You have already agreed
Mr. Tebbit's proposals for the
first stage of rollback. Both
Chancellor and Foreign Secretary
also agree

But both want to look
further ahead and accelerate
pace.

Agree Chancellor's proposals
for a paper to E(S) (or E(AT)?)
on issues involved

Yes *mt* AT 29/11

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Chancellor of the Duchy of Lancaster

Prime Minister (2)

AT 6/12
ms

PRIME MINISTER

TRADE POLICY: STANDSTILL AND ROLLBACK

As this is to be discussed at E(S) I will confine myself at this stage to saying that we must not be too quixotic about this. The Americans who talk the loudest are themselves the worst offenders. We must ensure that we do not make, or agree, one-sided relaxations and that we get a proper quid pro quo for any concessions we do make. The heady days of our vast balance of payments surpluses are over.

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

A.C.

A C

6 December 1983

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