

IMMEDIATE



5th March 1983

- 1. cc Mr Ridley
- 2. Clucellu.

For my Dis Folder

Sir Geoffrey

Adl

I enclose a two page note as requested in your letter of 8th February.

It is pretty unexciting. This is due in large measure to the fact that the major things I would like to do - a substantial increase in support for exports, legislation to protect our trading interests and a recasting of the mergers legislation - are not as yet agreed and no doubt will be opposed.

TRAD 5

Yours,
Arthur

The Rt. Hon. Sir Geoffrey Howe QC., MP.



International Trade

We have succeeded with great skill in preserving a liberal world trading system while at the same time safeguarding our most vulnerable industries.

The success of this policy is to be seen in a steady growth in our exports. World trade has declined but our trade has increased. We have a healthy balance of payments surplus.

North Sea Oil - won at great expense in money and courage - has been an important contributor. But despite all the difficulties we still sell more manufactured goods abroad than we import. And we are one of the world's greatest exporters of services - second only to the United States.

We believe in reinforcing success. We will continue to give our exporters every support. We will improve the services we offer. We will vigorously promote the interests of British trade and industry in international negotiations - where we have already made our presence very effectively felt.

The Service Industries

We have always been a great nation of traders as well as manufacturers. We have an extremely efficient distribution system both in this country and overseas. We are leaders in the field of banking, insurance, financial services and consultancy. We have played a leading part in negotiations in the EC and in the international sphere to liberalize trade in services and to provide greater opportunities for our own people.

/Tourism



Tourism

"Tourism" is important not just as a means of earning foreign exchange, but to provide holidays for our own people. The quality of our hotels, our seaside resorts, our tourist attractions, provides us all with a better life as well as bringing visitors in great numbers to our country.

We give direct support through the Tourist Boards. We have made grants for tourism projects available throughout the country; and we have increased the amount of money available.

Safety, Quality and value for money.

People are entitled to value for money; and to be sure that the goods they buy are safe. We will introduce new legislation to ensure that abuses are dealt with while reducing Government intervention wherever possible. We have taken a major new initiative to improve standards to ensure better quality. This will help industry and consumers alike.

British Airways

British Airways is now making a profit. It is efficient, competitive and forward looking. All that remains is to transfer it to the private sector where it can continue to make progress.

Wherever possible we will also transfer the airports to the private sector. [A start has already been made in the case of certain of the Scottish airports.]

A.C.

5.3.83