

1. MR SCHOLAR
2. PRIME MINISTER

I suggest that you  
consider these two lines at - or after -  
your two meetings tomorrow.

MCS 27/10

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(A)

PRESENTATION - PROTECTIONISM; COAL

I need to clear two lines with you before the visit to Germany.

First, protectionism. The meeting of E tomorrow has been widely trailed and there is considerable interest in the outcome of the meeting.

I have had to work very hard over the last week to stop the press writing us into a hard, protectionism stance. Your question time yesterday was an enormous help. I have also led the Lobby to believe there will not necessarily be any hard decisions tomorrow. But we need to ensure that we do not get a rash of silly protectionist stories after E.

Could I suggest an agreed unattributable briefing line (for both Lord President who has a Thursday Lobby and your press office) as follows, subject to the committee discussion:

"Ministers today discussed trade policy against the background of rising protectionist pressures in the world. They stressed the importance of maintaining an open trading system, especially to major trading nations like Britain. We export roughly 30% of our GDP — still the highest of any country in the world.

Ministers however expressed their concern about the unequal operation of the system - where, for example, countries profit from the open system but remain partly or substantially closed to imports themselves.

They called for more research preparatory to the GATT Ministerial conference in Geneva next month. At that conference the UK can be expected to press strongly for a fairer operation of the system. This would require greater reciprocity if the system is to be strengthened in line with the UK's aims."

COAL

We need to be absolutely clear before the weekend on how to react to the result of the miners' ballot.

If it rejects strike action we should lie low; offer no comment; and allow the press to crucify Scargill and praise the miners for their common sense.

as high a  
proportion  
as any  
major  
industrialised  
country.  
MCS

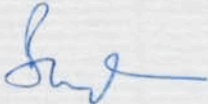


If the ballot votes for strike action, however narrowly, we should not assume a strike is inevitable, we should say unattributably:

"We regret the decision. The miners will now have to consider their position knowing that no more money will be forthcoming, that stocks of coal are historically very high indeed and that a strike would be cripplingly costly to them. Everybody knows you can't strike yourself to prosperity; you can only strike yourself into trouble."

ACTION

You may think we should ensure these lines are available to Ministers if you are content with them.



B. INGHAM  
27 October 1982

I think this is better, in reflection, than  
'strikes cost jobs' - since this can be  
interpreted by Scargill as a threat  
to close pits.