



cc/K

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

Secretary of State for Trade and Industry

17 September 1984

NBPM
BT to see
CDP 10/9

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport
2 Marsham Street
LONDON
SW1P 3EB

Dub
18/9

D. Nicholas

COASTAL SHIPPING IN THE COMMUNITY

will request if required

Thank you for sending me a copy of your letter of 30 August to the Foreign Secretary in which you propose to urge on the Commission early action in the Community to terminate discrimination in coastal shipping services in certain Member States.

2 I support your view that we should take such an initiative and I am sure you are right to suggest that we should seek to use the route of an early Council regulation to liberalise these services. The resentment of UK coastal traders is understandable when they contrast our liberal approach with the restrictive practices of other Member States. Nor is the present position compatible with our commitment to creating a genuine internal market in the Community.

3 I would sound one minor cautionary note in your proposed letter to Contogeorgis: I wonder whether expressing the hope that the Commission's shipping policy paper issues as soon as possible implies a rather more blanket approval for its individual proposals than in fact we want to give; we will need to keep an entirely free hand to deal with them on their individual merits. I therefore suggest that the letter simply note that the paper is in preparation and hope that it will address cabotage as an urgently priority issue.

4 I am sending a copy of this letter to the Prime Minister, other members of OD(E), and to Sir Robert Armstrong.

I am sure you will be very wary of allowing the Commission to extend competence into international shipping.

[Signature]
NORMAN TEBBIT
Norman

JH3AXL

7 8 SEP 1984



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cc/AC



Foreign and Commonwealth Office

London SW1A 2AH

11 September 1984

CJP
11/9.

Dear Dinah,

Coastal Shipping in the Community

Lest new stories begin to circulate about the FCO attitude to the Community, I hasten to point out that the reference to "sabotage" in my Secretary of State's minute to Mr Ridley of 10 September should of course have been to "cabotage"! *with CAP?*

I am copying this letter to Charles Powell at No 10 and to the Private Secretaries of OD(E) members and to Richard Hatfield.

Yours Sincerely,
Colin Budd

(C R Budd)
Private Secretary

Miss Dinah Nichols
PS/Secretary of State for Transport