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BP the Treasury expand

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PM/83/95PRIME MINISTERRolling Back Protectionism

1. I have seen the Secretary of State for Trade and Industry's minute of 18 November and also your comments.
2. Norman Tebbit rightly looked ahead to discussion at next year's London Economic Summit and a possible new GATT Ministerial meeting. These are likely to become steps along a path to a new trade round. At Williamsburg we have already agreed "to continue consultations on proposals for a new negotiating round in the GATT" and to "work to achieve further trade liberalisation negotiations in the GATT". The Americans talk privately (but probably prematurely) of one in 1985 and the Japanese have, as Norman Tebbit pointed out, proposed a new round publicly. The GATT work programme to be completed in 1984 is clearly pointing in the same direction. So it seems to me clear that the London Economic Summit will have to address this issue.
3. I therefore agree with Norman Tebbit that, while the follow-up to Williamsburg on rollback requires us for the moment only to look at the first stage proposals which he describes, we need also to be thinking carefully about the longer term issues. As he points out, rolling back protectionism accords with our own market approach to world trade and will create a climate which will make for easier handling of current international commercial and financial difficulties. I believe that, despite the recent set back over safeguards and grey area measures in Geneva, we should continue to work for progress in this area in a way which, while meeting the essential short term needs of our industries, also recognises that in the longer term arrangements for them should be brought within the GATT's open market system.



4. I also agree with Norman Tebbit's proposals on those matters in the first phase which require immediate decision. I share your and his views that we should support the proposals to accelerate certain tariff cuts and work towards dropping the 2% growth condition for beginning the rollback exercise. The Commission's proposals are modest but very much on the right lines and within the current international consensus. We should give them our strong support at the Foreign Affairs Council on 29 November.

5. I am copying this minute to members of E(S) and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office  
28 November 1983