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BY BAG

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MY TELNO 2522: REPUBLICAN PARTY PLATFORM: INDUSTRIAL, AGRICULTURAL
AND INTERNATIONAL TRADE POLICY

SUMMARY

1. There are few surprises in the sections of the platform dealing with trade and industry, agriculture, energy, transportation, international economic issues and science and technology. The emphasis is on the achievements of the past four years. Proposals for the future contain no significant deviations from Administration policy and break little new ground. The emphasis is on free enterprise and deregulation (except in relation to agriculture, where greater prominence is given to continuing assistance for hard pressed farmers, whose votes are of course vital to the Republicans).

DETAIL

2. Trade Issues: The message is free and fair trade. In contrast to the slight equivocation of the Administration recently, prominence is given to a call for a new round of multilateral trade negotiations "to revive and strengthen the GATT", and eliminate unfair trade practices and non-tariff barriers in particular in the fields of agriculture, services and investment. There is no specific reference to recent trade cases: but existing trade laws will be enforced vigorously so as "to avoid loss of US jobs to subsidised overseas competitors", especially in basic industries such as steel, automobiles, footwear, mining and textiles. (The section on agriculture refers to Administration opposition to draft protectionist legislation on automobile domestic content, which the agricultural lobbies dislike.) A Republican Administration would work to end the process whereby overseas industries which compete unfairly are subsidised by international institutions dependent on US taxes. A reference to the possible "reorganisation of trade responsibility in order to reduce overlap" is the only sign of continuing interest in a merger between the Department of Commerce and the United States Trade Representative's Office.

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3. In a brief reference to export controls, (which contrasts sharply with the subsequent passage on agriculture) US trading partners are asked to join in "a review of trade with totalitarian regimes".

4. Agriculture: The party's objective is creation of an environment in which farmers can compete fairly. But farmers at present are still grappling with major problems, notably indebtedness. These are attributed in the first place to Carter Administration policies, although high interest rates and the high value of the dollar have also had a devastating effect on US agricultural competitiveness (an admission which contrasts sharply with other sections of the platform). The farm economy is now reviving thanks to Administration policies. Credit is taken for increases in food assistance and agricultural export financing programmes, and the fact that the Administration has challenged the "unfair subsidy programmes of other governments". The main promises for the future are:-

- i) Consideration of temporary interest rate reductions;
- ii) Continuation of targetted farm support;
- iii) Implementation of restructuring of farm debt procedures, including establishment of local advisory committees to help with restructuring;
- v) A pledge never to use agricultural embargoes as a foreign policy tool; and
- vi) Support for legislation to allow farmers to deduct 50 percent of medical insurance premiums from income.

5. Energy: US policies have helped precipitate the 35 percent drop in real oil prices since 1980, and the crippling of OPEC. The agenda set in 1980 will be completed. Natural gas should be decontrolled. Emphasis is laid on the development of hydro-carbon resources and bringing nuclear plants on line quickly, with only a nod in the direction of environmentalist concerns. The (probably unrealistic) 1980 commitment to "terminate" the Department of Energy is reiterated.

6. The platform has little specific to say about civil aviation and shipping; there is a general reaffirmation of the Administration's belief in deregulation and the free market.

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7., Federal spending on basic research in science and technology has increased more than 50 percent. Tax relief for private sector research and development should be extended. US firms will be allowed to "cooperate in joint research and development projects" (presumably without fear of antitrust action) so that they can compete with foreign companies.

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