

CC MASTER

NOTE OF LIAISON COMMITTEE MEETING HELD ON WEDNESDAY,
9 FEBRUARY 1983

Those Present: Prime Minister

Lord President of the Council

Secretary of State for Scotland

Secretary of State for Employment

Secretary of State for Trade

Chairman of the Party

Chief Secretary, Treasury

Minister of State, Treasury (Mr Wakeham)

Parliamentary Under-Secretary for Energy (Mr Moore)

Chief Press Secretary, No 10

Director, Conservative Research Department

Mr Ward, Lord President's Office

1. The Committee considered a draft paper on the presentation of trade policy. The following points were made in discussion.

- (a) The statement, in paragraph 6.6, about the employment implications of withdrawal from the European Community was potentially misleading, since the basis of calculation of the figures was uncertain.
- (b) In general, figures on trade performance tended to be distorted by the oil factor, which disguised a deteriorating performance in manufactured goods, although, in the latter context, some firms performed extremely well. As a nation, the United Kingdom still exported one-third of its GDP, although the trend was downwards.
- (c) Trade statistics were in any case not the most helpful points to emphasise in presentation. Trade policy had to be set in the general context of international frameworks, such as GATT and the EC, and the point had to be made that our difficulties had more to do with the efficiency of the UK than with defects in international trade agreements. Free trade was the best test and measure of efficiency of United Kingdom companies.

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- (d) Paragraph 6.5, which dealt with the Government's assistance to exporters, should refer back to paragraph 5.6. It would be interesting to see a paragraph in the paper which set out foreign perceptions of the assistance given by the UK Government.
- (e) Although the United Kingdom had attracted a substantial proportion of Japanese investment in the European Community, only a very small number of jobs (about 7,000) were involved. Historically, successful trade was a precursor of investment of this kind but it was possible that, among other things, the Japanese might be deterred by growing signs of a disposition in the EC to set up internal trade barriers, for example foreign content tests.
- (f) Paragraph 6.8, on the question of food prices, should be deleted in toto.

2. The Committee agreed that the paper, amended in the light of their discussion, should be distributed to Ministers.

3. The Committee considered a draft paper on the presentation of the Government's nuclear power programme. The Committee also had before it a minute by the Minister of State, Treasury, commenting on the draft. Mr Moore said that he generally accepted the Minister of State's view that the paper should take a more positive approach. There were however difficulties in the areas of comparative costs - which on whatever basis would continue to be debatable - and on diversity - which it was politically difficult to express as clearly as the Government would wish. It would however be possible to improve the presentation of environmental factors. Mr Moore added that the paper deliberately did not address the areas of interaction between civil and military uses of nuclear power since to do so would raise difficult complications. The industry had however already formed two separate groups to promote the case for civil nuclear power and they could probably be used more effectively. The following points were raised in discussion.

- a. It would be right for the two groups referred to by Mr Moore to consider how they could better deal presentationally with the civil/military interface.
- b. There was much material available to counter the alleged environmental risks of nuclear energy and the paper should be strengthened in this area.

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- c. The paper could also lay more emphasis on the financial advantages that French industry enjoyed as a result of their nuclear energy programme.
 - d. References to underground storage of nuclear waste should be deleted; they could be unduly controversial.
4. The Committee agreed that the paper, amended in the light of their discussion, should be distributed to Ministers.
5. The Committee discussed the Chief Press Secretary's diary of events. They endorsed the paper's assessment of those events which were likely to be highlights.
6. The Committee discussed the commissioning of future papers, and agreed to commission a paper by the Secretary of State for Employment, on training and special employment measures; and a paper by the Minister of Agriculture on agricultural policy. The next meeting of the Committee would be held on Wednesday, 2 March 1983.

Distribution: Those present

Mr Lawson, Marketing Director,
Conservative Central Office.

Mr Boddy, Director of Press and Publicity,
Conservative Central Office.

16 FEB 1963

