



10 DOWNING STREET

THE PRIME MINISTER

24 March 1983

Dear Hal,

You and a number of other West Midland's Members wrote to me on 9 March to express concern at the apparently receding prospect of action to deal with the Spanish car problem.

The day after you wrote, Arthur Cockfield and Peter Rees were able to give you advance news of the concessions which have been secured from Spain. I was grateful for the welcome you gave them during my Questions on 15 March. Peter Rees reported the full details in his written answer to Tim Smith on 16 March (Hansard cols. 191-193).

The Spanish concessions open up a significant new opportunity, and we need to move quickly to take advantage of them. As you may know, the value of our vehicle component exports to Spain has trebled since 1980. I hope our car trade can now also begin to do better.

While I recognise that the Spanish concessions do not remove the tariff discrepancy, they reduce it by up to half. Next year there will be a further improvement, when Spain introduces VAT. Finally, of course, I hope that Spain's accession to the Community, which will lead to the complete removal of duties, will not be long delayed.

H.D. Miller, Esq., M.P.,

*Yours
Raymond*

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