

PRIME MINISTER

WALL STREET JOURNAL

You hold this newspaper in high regard.

You have agreed to give Alan Otten, European Bureau Chief based in London, and Norman Pearlstine, their European editor and publisher, an on-the-record interview for an hour from 5.15 tomorrow evening.

Their aim would be to produce a straight Q & A feature in their American and European editions and possibly in their Far Eastern edition as well. They launched their European edition on January 31 with an initial circulation of 10,000, going also to the Middle East.

The US edition is one of the few newspapers read right across the USA with a daily circulation of 2m.

Mr Otten says they wish to do a perfectly straightforward interview designed to get your views on-the-record.

They propose to cover the following main areas:

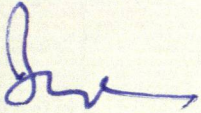
British economy - £; interest rates; inflation; trade figures;
(imports, exports); unemployment;
INF negotiations;
Middle East - what should Reagan be doing?;
possibly Hong Kong.

You should read the short advisory telegram from Washington at Annex A.

I attach in further Annexes other briefing we have obtained as follows:

- B. Williamsburg;
- C. World Economic Prospects;
- D. Exchange Rate;
- E. EC Budget;
- F. East/West Economic Relations;
- G. Extraterritoriality;
- H. Protectionism;
- I. Special Steels;

- J. Civil Aviation;
- K. Multilateral Shipping Talks;
- L. US/Community Relations: Agriculture;
- M. UK/US Defence Sales;
- N. Hong Kong.



B. INGHAM

28 March 1983

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TO IMMEDIATE FCO
TELEGRAM NUMBER 765 OF 25 MARCH
INFO SAVING BIS NEW YORK.

YOUR TELNO 3 TO BIS NEW YORK: PRIME MINISTER'S INTERVIEW WITH THE WALL STREET JOURNAL

1. THE WALL STREET JOURNAL IS ONE OF THE FEW NEWSPAPERS READ RIGHT ACROSS THE US. THE INTERVIEW WILL AFFORD A VALUABLE OPPORTUNITY TO GET ACROSS THE PRIME MINISTER'S VIEWS ON THE WHOLE RANGE OF TRANSATLANTIC ISSUES. PERHAPS THE MOST IMPORTANT IS TO STRESS OUR LOYALTY TO THE ALLIANCE AND THE SERIOUSNESS OF OUR APPROACH TO DEFENCE, QUOTING FACTS AND FIGURES.

2. IT WILL ALSO BE AN OPPORTUNITY TO REITERATE THE P.M.'S VIEWS ON INF AND THE MIDDLE EAST. THE ADMINISTRATION WOULD CERTAINLY APPRECIATE A FURTHER EXPRESSION OF SUPPORT FOR US EFFORTS TO SECURE THE WITHDRAWAL OF ISRAELI AND OTHER EXTERNAL FORCES FROM THE LEBANON AND OF HOPE THAT BOTH SIDES WILL AGREE TO PARTICIPATE IN DISCUSSIONS ON THE WEST BANK ON THE BASIS OF THE PRESIDENT'S INITIATIVE.

3. THE INTERVIEW WILL ALSO GIVE A FIRST-CLASS OPPORTUNITY TO EXPLAIN OUR VIEWS ON CURRENT TRANSATLANTIC ECONOMIC ISSUES, IN PARTICULAR ON THE QUESTION OF EXTRA-TERRITORIALITY AND THE EXPORT ADMINISTRATION ACT. THE PRIME MINISTER MAY WISH TO REITERATE THAT WE ARE AT ONE WITH THE US ON RESISTING THE SOVIET THREAT. BUT ATTEMPTS TO GIVE US LEGISLATION AN EXTRA-TERRITORIAL REACH RAISE TOTALLY DIFFERENT PROBLEMS OF NATIONAL JURISDICTION AND SOVEREIGNTY. ONLY THE BRITISH GOVERNMENT CAN EXERCISE CONTROL OVER THE OPERATIONS OF COMPANIES IN BRITAIN.

4. OTHER ISSUES WHICH MAY COME UP COULD INCLUDE EC/US TRADE IN AGRICULTURE, WHERE THE AMERICANS HAVE MADE A MAJOR EFFORT THIS YEAR TO REDUCE SURPLUS AGRICULTURAL PRODUCTION (MY TELNO 736). THE QUESTION OF THE LAKER ANTI-TRUST SUIT, WHICH COULD SERIOUSLY AFFECT THE INTEREST OF BRITISH AIRWAYS, COULD CONCEIVABLY ALSO COME UP. THE DEPARTMENT OF TRADE MIGHT BE ASKED TO PROVIDE AN UP TO DATE NOTE TO TAKE ACCOUNT OF DEVELOPMENTS OVER THE WEEKEND.

5. BIS NEW YORK HAVE BEEN CONSULTED ABOUT THIS REPLY.
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