

Confidential Filing

Prime Minister's Meeting with
Thomas L Phillips, Chairman and Chief
Executive Officer, Raytheon Company

P. M.

In folder attached: Raytheon Co. Annual Report 1989

May 1990

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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MEETING RECORD

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Foreign/Phillips

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

19 June 1990

The Prime Minister saw a Mr. Tom Phillips, Chairman of Raytheon, today. Although the meeting was connected mainly with his work in the prayer breakfast fellowship, he took the opportunity to raise the difficulties which Kossor Electronics were experiencing in selling their air traffic control equipment, both in Europe and more widely. They were completely unable to get access to the Italian or French market where they were prevented from tendering: and found it impossible to compete with subsidised exports from these countries in the third markets. The Prime Minister asked Mr. Phillips to let her have a note on which she could draw in discussion of the Single Market at the European Council, in particular on the need to liberalise public procurement.. You may wish to prepare some material yourselves, if you believe that Mr. Phillips' complaint is justified.

I am copying this letter to Richard Gozney (Foreign and Commonwealth Office) and to David Hadley (Cabinet Office).

(C. D. POWELL)

Martin Stanley, Esq.,
Department of Trade and Industry.

ecu

PRIME MINISTER

MEETING WITH MR. TOM PHILLIPS

You are to see Mr. Tom Phillips, Chairman of Raytheon, tomorrow at the request of Michael Alison. I attach a note by Brian Griffiths about Mr. Phillips. You will see that, apart from being a major businessman, he is a friend of Doug Coe and active in the prayer breakfast fellowship. You may also recall that the present Head of Defence Sales, Alan Thomas, came to us from Raytheon.

The meeting is just a chance for a general chat and there are no specific items of business to raise.

C.P.P.

CHARLES POWELL

18 June 1990

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C D POWELL

18 June 1990

TOM PHILLIPS

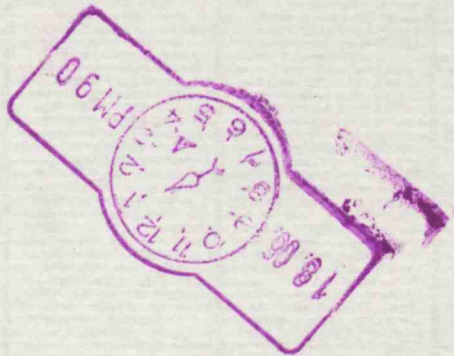
Tom Phillips is Chairman of the Board and Chief Executive Officer of Raytheon (since 1975). Raytheon is a multi-national company with interests in electronics, aviation, appliances, publishing and construction it employs 76,000, and has major overseas subsidiaries in Canada, UK, Netherlands, Germany, Switzerland and Japan. Before becoming Chief Executive Phillips ran the missile and space division. He is very well respected in the business community.

He is also a very close friend of Doug Coe and has been active in the prayer breakfast fellowship for many years. In this connection I enclose a copy of James Baker's speech to this years National Prayer Breakfast in Washington - which is simply the public face of a very significant charity.

His comments on the US business community, the problems US firms face in the European Community, the perspective US companies have of the UK, and his work in support of Doug Coe would all be very interesting.

B.G.

BRIAN GRIFFITHS



ROBERT M. GIBSON



10 DOWNING STREET

LONDON SW1A 2AA

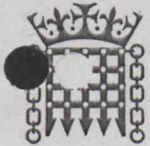
From the Private Secretary

15 May 1990

Thank you for your letter of 14 May.
I am sure the Prime Minister would be happy
to see Mr. Phillips, and we have put him in
the diary for 12.30 on Tuesday 19 June.
I am assuming that you will bring him in.

CHARLES POWELL

The Rt. Hon. Michael Alison, M.P.



THE RT. HON. MICHAEL ALISON, M.P.

12 1515

HOUSE OF COMMONS
LONDON SW1A 0AA

14th May 1990

Charles Powell, Esq.,
Principal Private Secretary,
10 Downing Street,
London,
SW1A 2AA

12.30
Thurs 19 JUNE

Raytheon
Can we do this?
My work is
✓ yes.
EDP?

Dear Charles,

You will remember that, when I was at Chequers for lunch on Sunday a week ago, I mentioned to the Prime Minister that I would greatly value the opportunity of bringing my old friend Tom Phillips, Chairman and Chief Executive of the Raytheon Company, in to see her. I have no personal interest of any sort to declare in the Company, but Tom Phillips is a distinguished American industrialist with close links through his Company to the Pentagon and Capitol Hill generally. Raytheon also own Cossor Electronics Limited of Harlow in Essex, and they also have a number of subsidiaries in Europe. I know that Tom Phillips would be very glad to tell the Prime Minister something of how the defence procurement scenario appears to be developing in the United States, at least as it affects his own major company.

Tom Phillips is going to be in London on June 18th and 19th, as part of his regular visitation of Raytheon outposts, and if there was a chance that he could see the Prime Minister, for even a few minutes after Question Time on Tuesday 19th June, we would all be very grateful.

Yours ever
Michael

Michael Alison

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Raytheon

Biography



THOMAS L. PHILLIPS

*Chairman
and Chief Executive Officer
Raytheon Company*

Thomas L. Phillips is chairman of the board and chief executive officer of Raytheon Company, Lexington, Mass. He was elected chairman in May 1975, having previously served as president since 1964. He was named chief executive officer in 1968.

Raytheon is a diversified, international company active in electronics, aviation, appliances, industry services, publishing and construction. It is composed of eight divisions and 12 major operating subsidiaries with more than 80 plants and laboratories

in 26 states. Major overseas subsidiaries and affiliates are located in Canada, the United Kingdom, the Netherlands, West Germany, Switzerland and Japan. The company employs more than 76,000 people worldwide.

Mr. Phillips was born May 2, 1924, in Istanbul. He graduated from Boston Public Latin School in 1942. He earned bachelor's and master's degrees in electrical engineering from Virginia Polytechnic Institute in 1947 and 1948, respectively.

He joined Raytheon in 1948, as an electronics design engineer and moved up through a series of increasingly responsible engineering and management positions. He served as program manager of the Hawk ground-to-air and Sparrow III air-to-air guided missile systems. In 1960, he was elected a vice president of Raytheon and appointed general manager of its Missile and Space Division. He was named executive vice president of Raytheon in 1961. During the 1960s and 1970s he was the architect behind Raytheon's diversification into commercial businesses.

Mr. Phillips is a director of the John Hancock Mutual Life Insurance Company, State Street Investment Corporation and Knight-Ridder, Inc.; a trustee of Gordon College and an honorary trustee of Northeastern University. He has been awarded

honorary degrees by Babson College, Boston College, Gordon College, Lowell Technological Institute, the University of Massachusetts, Northeastern University, Stonehill College and Suffolk University.

He is a member of the Executive Committee of the United Ways of Eastern New England, the corporation of the Joslin Diabetes Center and the Museum of Science; the Business Council, the Business Roundtable and the National Academy of Engineering. Mr. Phillips is a Fellow of the American Institute of Aeronautics and Astronautics.

Mr. Phillips also serves as a director of the Laymen's National Bible Committee, Inc., and is a member of the visiting committee of the Memorial Church at Harvard University.

He is a member of the Algonquin Club of Boston, Weston Golf Club and Pilgrims of the United States.

He is married to the former Gertrude van Iderstine, of Oradell, N.J. Mr. and Mrs. Phillips reside in Weston, Mass. They have four adult children and eight grandchildren.

FAITH, FRIENDSHIP and COLLECTIVE RESPONSIBILITY

Secretary of State,
James A. Baker, III

This is a unique morning. Today, heads of State from three continents and citizens from approximately 130 nations of the world are meeting here in the Spirit of Jesus Christ to pray together, to talk together and to seek to know each other better. I know that all of us hope that by meeting in this way, we can help foster and develop increasing bonds of friendship throughout the world.

Frankly, I'd be less than honest if I didn't tell you that when I was asked to speak today, I was hesitant. That hesitation came from the fact that after nine years here in Washington in three public service jobs, I feel far more comfortable talking about the policy process, the political process, or any number of other topics. For me to discuss a personal journey of faith is a new experience. But here I am. And I want to talk to you today about faith, I want to talk to you about friendship, and I'd like to say a word about our collective responsibilities as leaders.

I'll do that briefly, although being brief reminds me of a story that I first heard 20 years ago when it was told by the man who is now President of the United States. And it has to do with a little girl that went to church on Sunday morning with her grandmother. Her grandmother had a very long-winded preacher who never gave a sermon that lasted less than an hour and a half. And as they sat there in church that Sunday morning and the sermon droned on and on, the little girl got very restless and she looked out about her. And there, extending from both walls of the church all the way down to the altar were those American flags. Underneath each flag, there was a little gold plaque. The sermon drones on and on, and finally the little girl can't stand it any longer. She turns to her grandmother, and she says, "Grandma,

what are those flags up there for?" And her grandmother says, "Why, Sarah, those flags commemorate those who died in service." The little girl said, "Oh, the 9:00 o'clock service or the 11:00 o'clock service?"

And I'm going to try very hard not to lose you in my part of this service this morning.

I am up here, though, because I really do believe that those of us who are put in positions of public trust, really shouldn't be hesitant to speak about spiritual values. In fact, I happen to believe that spiritual values are important in the pursuit of world peace.

Pope Paul VI once said at the United Nations, "The problems of the world are so great that perhaps the leaders of the world will have to learn to pray together."

It was in that very spirit, I think, that President Eisenhower, 38 years ago, began all of this with a very few members of the Senate and the House of Representatives, to see if it was possible for America's leaders to pray together, both privately and in this kind of assembly. President Eisenhower had a strong conviction that we need to build deeper and longer lasting relationships on a basis other than just economic or political. I think he would be excited to see the reality that his vision has become if he could see all of us here this morning.

I spoke a moment ago about a personal journey of faith. And those of you who know me best, certainly know that I don't feel like an expert on this subject. Like many of you, I am just one person genuinely struggling to put faith into practice in my life. But over these last several years in Washington, I think I have gained some valuable insight into that process. There are many people who believe that living in this city makes developing one's personal faith a lot more difficult. But for me, living in this centrifuge of power and politics has encouraged, and I might even say, has demanded spiritual growth. Power, of course, as we all know can be intoxicating; it can be addictive, and few doubt the truth of Lord Acton's words that "power tends to corrupt and absolute power corrupts absolutely."

Over these last nine years, I have had opportunities to participate in the exercise of more power than I would ever have imagined. I have felt the weight of responsibility that that brings, and I have to admit to you, as well, that I have felt the temptations that are attendant to it. From this perspective,

I've seen the reality that people from every level and from every station in life desire affirmation, they desire recognition and they desire fulfillment. Some people go to extraordinary lengths to obtain these elusive goals.

I found early on that having a position of power really doesn't bring the fulfillment that many people think it does. Of course, it does bring excitement. It brings a sense of satisfaction when things go well, disappointment when they don't, and it brings invitations to some of the most exclusive gatherings in the world. For someone who likes to go to bed at 9:30 that is not necessarily a plus. But it also brings a complicated lifestyle with an exhausting schedule, innumerable headaches and lots of conflict. Most importantly, having a position of power does not bring inner security or fulfillment. That comes only, I think, by developing a personal relationship with God which, for me, is personified by Jesus Christ. Inner security or real fulfillment comes by faith. It doesn't come by wielding power in the town where power is king.

As those of you who believe, know only too well, faith more often than not doesn't come easily. It takes a lot of work. When I look back on my own journey of faith, I can see that real growth began when I started reading God's word. Romans 10:17 in the New Testament says, "Faith comes by hearing and hearing by the word of God." The Scriptures I read also teach me that God loves me, and He accepts me as I am. He loves me as I struggle, He loves me even as I fail to become the man He wants me to be. Once upon a time, I honestly felt that I had to earn God's love. But now I know that the Bible tells us that it is faith and it is not works or accomplishments that make us acceptable in God's sight.

In 1986 I met with a group of diplomats who were gathered here for this National Prayer Breakfast. One of them asked me during the course of that meeting, what was the most important thing I'd learned since being in Washington. And I replied that it was the fact that temporal power is fleeting.

I told them about an experience I had early one morning a few years ago, when I was the White House Chief of Staff. As my driver turned the car into the northwest gate, I looked down Pennsylvania Avenue and noticed a man walking alone. He was someone many of you would have recognized — the Chief of Staff in a prior administration. There he was alone — no reporters, no security, no adoring

public, no trappings of power — just one ordinary man alone with his thoughts. And that mental picture continually serves to remind me of the impermanence of power and the impermanence of place. That man had it all — but he had it all only for a time. And that really, to me, put my life in perspective.

I ask the question occasionally, "When I leave Washington, what's going to remain?" One thing I know for sure — the people who wouldn't return my telephone calls before I came to Washington, aren't going to return them after I leave.

The fleeting aspects of power, I think, cause us to understand the importance of lasting personal relationships and friendships. Ralph Waldo Emerson said, "God evidently does not intend us all to be rich, or powerful, or great, but He intends us all to be friends." The Scriptures, both Old and New, affirm this reality by speaking about our relationships to God and our relationships to each other. The first and greatest commandment is to love the Lord your God with all your heart, with all your soul, all your strength and all your mind and the second is to love others as yourself. And we know, too, that Jesus said, "I do not call you servants, I call you friends."

These ancient thoughts on personal relationships and friendships are often not taken seriously enough in our very busy modern lives. In all candor, I used to think that if you were strong, you didn't need anyone. Too often, independence and self-reliance, are said to be the path to success. And to many, being successful means never admitting that you have any hurts or problems. But the truth of the matter is, as I am sure practically all of us would admit, we really do need one another if we're going to make it through this life in both our private and public capacities.

I remember particularly a situation a few years ago when I was really struggling with a particular problem. No matter how hard I tried, I couldn't figure it out. But I found strength in being able to talk it over and to pray about it with my wife, Susan. As we did, the truth from the Book of Proverbs finally crystalized our thinking. "Trust in the Lord with all your heart, lean not unto your own understanding, in all your ways acknowledge Him and He will direct your path." Susan helped me to see that I needed to stop trying to play God and really turn the matter over to Him. Without this kind of partnership, I'm quite convinced I never would have resolved that problem.

For several years, I've been meeting each week

with a small group of men for fellowship. These are all very normal guys who just happen to hold positions of power and influence in Washington. Members of our group come from both of the nation's political parties, and they come from several religious traditions. None of us expresses himself in religious jargon. More typically, our language is pretty earthy. But in our own way, we're pursuing faith through friendship. We've grown to trust each other. We talk pretty openly about our problems — personal problems. I don't just mean problems we have with items on the national agenda. We support each other in our efforts to live a life of faith in a very complex and challenging environment.

There are, of course, many times when all of us need something extra from our faith and from our friendships. I remember my mother telling me, when I was young, how she used to repeat the 91st Psalm every day when my Dad was a captain in the infantry in Europe in World War I: "A thousand shall fall beside thee, and ten thousand at thy right hand; but it shall not come nigh thee." My mother who taught me so many of the values that give me strength today, drew much comfort from these words. And in hearing her say them, so did I. She happens to be still saying them as her 96th birthday approaches!

I also remember how important friendships were during my first wife's illness. How important, for instance, that friends were there with me at her bedside during the last days. Two of these friends are very prominent today and both are with us here at the head table this morning. I remember how important that friends were there for our four little boys who were heartbroken, who were scared and who were very, very confused. How important friendships were to the task that Susan and I faced several years later of putting two families together at a difficult time in the lives of seven children. If any of you ever had three seventh graders at one time, you understand what I mean!

I remember how important friendships were and are to the need for support on a journey through public service. And I finally remember how important friendships were and are to the process of developing and maintaining my faith.

So, when I think back over the hills and valleys of my life, the consistent theme is the one in the 91st Psalm — "I will say unto the Lord, Thou art my hope and my stronghold; my God, in Thee will I trust." Faith and friendship are very important also I

think in building a community of nations. As leaders, I think we share certain spiritual responsibilities.

Daniel Webster has said, "If we work upon marble, it will perish. If we work upon brass, time will efface it. If we rear temples, they will crumble to dust. But, if we work upon men's immortal minds, if we imbue them with high principles, with the just awe of God, with love of their fellowmen, we engrave on those tablets something which no time can efface and which will brighten and brighten to eternity."

We are all struck by the changes taking place in the Soviet Union and Eastern Europe. They are not all political or economic. In September of last year, I met with Eduard Shevardnadze in Wyoming. We had a very productive couple of days and on the last evening exchanged gifts. I gave him a pair of cowboy boots — in keeping with the Western motif of Jackson Hole. But, I received from him, a far more and profound and meaningful gift — an enamel picture of Jesus teaching the people. In giving me this picture he said — only half jokingly — "You see even we Communists are changing our world view."

Could it be that a major meaning of the revolution going on in Eastern Europe is the resurgence or rebirth of faith? What we seem to be seeing is the reaffirmation of the individual as a person worthy in his or her own right, with freedom to choose and the responsibility that goes along with those choices.

Vaclav Havel, the new president of Czechoslovakia, recently told his countrymen that "the most important problem they were facing was a decayed moral environment, devoid of belief, consideration, compassion, humility and forgiveness." These values, of course, are crucial to democracy. And it is no accident, I think, that the churches in Eastern Europe have played such an important part in the political change that's taking place there. Despite oppression, the people of God maintained their integrity as custodians of the faith.

I think that there is a moral and a spiritual lesson for the United States in these events. We need to listen a bit more, perhaps, to those who are observing us. Lech Walesa made the observation that "Americans were drifting away from spiritual values as they become richer." He said that "sooner or later we will have to go back to our fundamental values, back to God, the truth, the truth which is in God." And then he made a most interesting statement, "We look to America" he said, "and we expect from

you spiritual richness to meet the aspirations of the 21st Century."

And so, ladies and gentlemen, as we hail the resurgence of faith around the world, in America, we must be mindful of our own responsibilities regarding faith. The United States, as a great political experiment was and continues to be a great spiritual experiment as well. Every person who enjoys freedom, regardless of where they are in the world, has the responsibility to improve the society which assures that freedom.

One way to carry out this responsibility, I think, is to pray together as we are doing here this morning. Prayer by itself is a reaffirmation of that freedom and that responsibility, whether that prayer is private or whether that prayer is communal. It is an act of free men and women who believe that their relationship to God is fundamental to preserving those freedoms.

The Bible tells us, "Where the Spirit of the Lord is, there is liberty." So, my friends, I believe that as leaders, we can build relationships around the world that are rooted in trust and in love and in understanding. And I believe that we can go beyond rhetoric to discover concrete ways to express this reality, particularly in light of the Psalmist's profound observation that "righteousness exalts a nation and sin is a reproach to any people."

As we join together in prayer this morning, let us all be thankful for recently rekindled hopes of freedom in many, many countries around the world, let us be thankful for our friendships. And let us pray for the strength to meet our collective responsibilities as leaders by doing what we can to make our world a freer, a better and a more peaceful place.

Thank you, God bless you, and God bless the people of all the nations of the world.

February 1, 1990
National Prayer Breakfast
Washington, D.C.

Grey Scale #13



A 1 2 3 4 5 6 **M** 8 9 10 11 12 13 14 15 **B** 17 18 19

