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10 DOWNING STREET

From the Private Secretary

2 August 1985

Dear Gen.

EUROPEAN FIGHTER AIRCRAFT

Richard Mottram wrote to me earlier today enclosing a draft message from the Prime Minister to Senor Gonzalez. I enclose the message, in slightly briefer form, as signed by the Prime Minister and should be grateful if it could be despatched as soon as possible.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence).

Yours sincerely

(CHARLES POWELL)

DJ

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

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MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~938 7022~~ 218 2111/3

MO 26/11/9

*Deal with
CDS 4P*

2nd August 1985

New Works.

EUROPEAN FIGHTER AIRCRAFT

Following the signature of an agreement on EFA by three National Armaments Directors this morning, the Defence Secretary has been in touch with his Spanish opposite number, Senor Serra, to stress the British Government's desire for Spain to join the project. Sir Ray Lygo is making a parallel approach on the industrial net and the Foreign and Commonwealth Secretary has it in mind to speak to his opposite number in Spain. Senor Serra told Mr Heseltine that he would be reviewing the papers today and would speak tomorrow to the Spanish Prime Minister. He fully appreciated the urgency of reaching a decision if, as the Defence Secretary stressed, options for Spanish participation were not to begin to be foreclosed.

The Defence Secretary believes that it would be most valuable if the Prime Minister could send a personal message to Senor Gonzalez reinforcing the points which he has made to Senor Serra. I attach a draft. In the time available, this has not been cleared with the FCO who may wish to give you their comments direct.

The Foreign and Commonwealth Secretary may wish to draw on this draft in speaking to his opposite number.

I am copying this letter and the attachment to Len Appleyard (FCO).

*Yours etc,
Richard Mottram*

(R C MOTTRAM)

C Powell Esq
10 Downing Street

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ALJ

I have kept a close watch on the negotiations in which our two countries have played so active a part to seek arrangements for the construction of a genuinely European Fighter Aircraft.

~~Of course~~ I am naturally delighted that Germany, Italy and this country have ^{now} decided to move forward to the next critical step when the precise details of the aircraft are established and the industrial allocations in this high technology project apportioned.

But I had always hoped that your country would participate as well. ~~That is why~~ I am ^{so} pleased ^{to} that the agreement signed in Turin early today clearly sets out how you could do so and the share of this ~~exciting~~ project ^{which Spain} ~~you~~ would automatically receive.

We have worked together now for many months to draw our two countries together within the European Community. It is perhaps not too much to say that relations between our two countries are at a particularly encouraging stage. There is no better way to move ahead from here than to draw our industries together and to cement our defence interdependence by the pursuit of common projects. It turns the rather intellectual concepts of Europe into real projects that our people can understand in their daily lives.

I believe also that by joining this new project now at its formative stage before the rigidities of design and industrial

bargaining present ever larger hurdles, Spain can share ~~across the~~
~~board the experience of~~ ^{in meeting} one of the largest industrial challenges
Europe has ~~attacked~~ ^{tackled}. I do not believe that there is any alternative
way forward for Spain which would ~~also~~ offer a genuine industrial
partnership, of the kind we are so anxious to achieve. ~~We in Europe~~
~~have to co-operate if we are to compete in the technologies of the~~
~~future, in defence and elsewhere.~~

I wanted you to know how much importance I attach to your
membership of this exciting programme

^{and my hope} ^{that you will}
^{agree to}
^{take part}
with ^{me} ^{best} with.