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10 DOWNING STREET

From the Private Secretary

31 October, 1983

EX: FCO HMT DTI CO

TURKEY: DIESEL ELECTRONIC LOCOMOTIVES

Thank you for your letter of 27 October.

The Prime Minister has noted that both your Department and the Foreign and Commonwealth Office agree that it would not be productive for the Prime Minister to raise this matter with the Federal German Chancellor but that certain points will be pursued through official contacts.

I am copying this letter to the Private Secretaries to the other members of EX and to Richard Hatfield (Cabinet Office).



J. Rees, Esq., Department of Trade and Industry

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From the Minister for Trade

DEPARTMENT OF TRADE AND INDUSTRY 1-19 VICTORIA STREET LONDON SWIH 0ET

TELEPHONE DIRECT LINE 01-215 5144
SWITCHBOARD 01-215 7877

John Coles Esq Private Secretary 10 Downing Street London SW1 m/

27th October 1983

Dear John

TURKEY: DIESEL ELECTRIC LOCOMOTIVES

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A. J. C. - 25.

Thank you for your letter of 17 October asking whether the Prime Minister should raise the above case with Chancellor Kohl in their forthcoming meeting.

Although the German action in this instance contrasts with the purest stance they tend to adopt in international discussions on mixed credits, both we and the FCO agree that it would not be productive for the Prime Minister to raise the case with the West German Chancellor. There are certain points which will, however, be pursued through official contacts. More important, the case shows that we must be sharper in countering the tactics of our competitors, particularly when they appear to be part of a concentrated campaign to secure orders for their industry in a way that puts ours in jeopardy.

I am sending a copy of this letter to the Private Secretaries of other members of EX and to Sir Robert Armstrong.

Yours sincerela

JONATHAN REES

Private Secretary to the

Minister for Trade (PAUL CHANNON)

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