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B.07054

PRIME MINISTER

c Sir Robert Armstrong


Meeting of OD on Friday 12 July at 9 a.m.
Supplementary Brief on the Defence Secretary's
minute (MO 26/1) of 10 July

BACKGROUND

FLAG A In his minute of 10 July, entitled "A Government Strategy for Industry", the Defence Secretary has listed four important areas of high technology: United Kingdom participation in Strategic Defence Initiative (SDI) research; our interest in Eureka; European collaboration on defence equipment; and United Kingdom Research and Development as a whole (which will be considered in E(A) on the basis of the MISC 110 report on 31 July). He has defined the Government's task in the field of advanced technology as being to identify national objectives; to decide with industry how best to meet them; and then to provide the necessary direction and co-ordination of both its own efforts and those of industry. He considers that new governmental machinery is needed to carry out this task and requests that these matters be considered at the OD meeting on 12 July when his memorandum (OD(85)15) on United Kingdom Participation in SDI research will be discussed.

HANDLING

2. You will wish to consider whether the discussion of broad economic strategy, advocated by the Defence Secretary, is appropriate to OD, particularly at such short notice and in the absence of various Ministers with a direct interest (including the Secretaries of State for Energy, Employment


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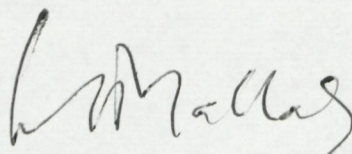
and Transport). Discussion could be protracted, and wide issues beyond OD's remit might come up, for instance -

(a) whether the Defence Secretary's definition of the Government's task in the field of high technology is too interventionist;

(b) whether he does justice to existing governmental machinery under the Economic Strategy Committee (ES) and the Economic Affairs Sub-Committee (E(A)) which have directed such studies as those undertaken by MISC 110 on the balance of resources between defence and civil research.

3. You may consider that it would be appropriate to defer discussion of the Defence Secretary's minute until the meeting of E(A) arranged for 31 July at which the MISC 110 report will be considered. This would permit all Ministers with a direct interest to be present and would allow the Secretary of State for Trade and Industry, as the Minister primarily concerned, to table a considered memorandum on the issues which the Defence Secretary has raised.

4. This would not prevent a decision on the immediate question for OD of providing machinery for dovetailing SDI-related strategic issues and activity on Eureka with our participation in SDI research. This is covered in paragraphs 3(e) and conclusion (b) of the main brief (B.07050) of 10 July.



C L G Mallaby

11 July 1985

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