



the department for Enterprise

CONFIDENTIAL

The Rt. Hon. Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for
Foreign and Commonwealth Affairs
Foreign and Commonwealth Office
King Charles Street
LONDON
SW1A 2AL

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5147

Our ref

Your ref

Date

18 March 1988

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18/3

Dear Sir,

EUROPEAN COLLABORATIVE ACTIVITIES

Thank you for your letter of 23 February in response to mine of 31 January. You also comment on John Fairclough's proposals for a more co-ordinated approach to the UK's involvement in European collaborative activities, as set out in his letter of 18 February to me. You will also have seen George Younger's letter of 7 March and Kenneth Baker's of 9 March.

I am content to accept your advice and John Fairclough's that we do not need any new machinery, but that the existing machinery should be made to work more effectively. I have noted John Fairclough's three constructive proposals for achieving this objective, and agree with you and Kenneth that they are pointing generally in the right direction. However, it would be helpful to have a clearer idea of the principles on which John Fairclough's proposals would operate, and in particular how he envisages using the existing machinery in practice.

In clarifying his proposals I am sure that John Fairclough will be able to take account of George's concerns about introducing further bureaucracy, but I do not agree with George that military procurement programmes should be excluded entirely from consideration. To do so would run the risk of creating a significant gap in any collective consideration of the issues

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and would, I believe, run counter to the remit of E(ST), especially where R & D is an important element of any international defence procurement programme.

In the meantime, my officials stand ready to continue working with John Fairclough's, and those from other Departments, on developing the principles for making more effective use of the machinery available.

I am copying this letter to the Prime Minister, George Younger, Kenneth Baker and other members of E(ST), and to Sir Robin Butler and John Fairclough.

A handwritten signature in dark ink, appearing to be 'J. Clarke', is written above the typed name. The signature is stylized, with a large 'J' and a long horizontal stroke.

KENNETH CLARKE

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AGROSPACE : A320 PT3.

