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Secretary of State for Trade and Industry

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14 March 1985

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Ministry of Defence
Main Building
Whitehall
LONDON
SW1

Prime Minister

CDP
14/3

M

D Michael,

EUROPEAN FIGHTER AIRCRAFT (EFA)

Thank you for copying to me your minute of 26 February to the Prime Minister.

2 The collaborative strategy which you propose is of the highest importance both to our defence requirements and our aerospace industry.

3 As you readily state the proposed EFA does not match the RAF requirement but whether this is important or not is not possible for me to say. However I think that before we become irrevocably committed to the collaborative strategy it might be useful to agree collectively that that is the direction in which we wish to go and upon the negotiating tactics. Unless we are quite clear on both matters I see a prospect that the French by ruthless exploitation of the weakness of our negotiating tactics might well destroy our capacity to achieve a national programme, and relegate us to a junior role in the EFA; or, indeed, destroy the EFA and produce a French dominated project instead.

4 The history of collaboration has not been so successful (especially in exports) that we should blind ourselves to its costs and dangers. It is probably the route we shall be forced to take but I believe that colleagues should reach that decision collectively in full knowledge of the issues and not find at some later stage that we have no option open to us except to participate in an industrially damaging deal to produce an aircraft which does not meet our requirement, or to buy off the shelf from the United States.

5 I therefore hope there will be an early opportunity to raise

JH3BMK



these and other questions for collective decision. I am copying this to the Prime Minister, other members of O(D) and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Norman Tebbit', with a horizontal line underneath the name.

NORMAN TEBBIT

Reference: Procurement

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