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POLICY BACKGROUND

9/85. BRITAIN AND EUREKA

Interview with the British Foreign Secretary,
the Rt Hon Sir Geoffrey Howe, QC, MP.

The Foreign Secretary, the Rt Hon Sir Geoffrey Howe, QC, MP, gave an interview to BBC's television's "Newsnight" on July 17, 1985. The following is an edited text:

Question: "What accounts for Britain's change of heart over Eureka?"

Sir Geoffrey Howe: "I think that everybody's attitude towards this has evolved. The Eureka idea appeared a very short time ago, it has been clarified in the minds of everyone and I think everyone now sees that cooperation on the kind of projects that are going to emerge from Eureka, improving Europe's technological ability, does make sense and we are all now working towards that. It is just a question of getting the thing clear on all sides. It has changed its shape as well as far as the French are concerned."

Question: "Meaning that the French have come away from the anti-Star Wars character of the original proposal?"

Sir Geoffrey Howe: "I think that probably was also a misunderstanding. Certainly the impact of Star Wars, as you call it, cast a very sharp light in the minds of the Europeans of the extent to which we have fallen behind technologically and I think if you look at the communique today it actually talks about civil programs, at the request of some of the neutrals who don't want to have anything to do with military programs but want civil-type technology projects. So it certainly isn't now, if it ever was, an

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answer to SDI save in the sense that SDI shows in one respect how far ahead the Americans were and why we need to do something to catch up."

Question: "It was interesting to an outsider that SDI was never mentioned by anybody. Is that the case?"

Sir Geoffrey Howe: "I think that's right and as I say SDI was just one of the many ways in which Europe has been waking up to the fact that Japan and the US, although they don't spend much more on research than we do, actually exploit these things and develop them much more effectively than we do. We have really got to get together on a European scale to do this effectively."

Question: "The absence of the word SDI in all this is a piece of political window-dressing?"

Sir Geoffrey Howe: "No, I think you have got it exactly wrong. You put your finger on it in the first place correctly. People are not actually still looking at this in the sense of SDI. They are looking at it in terms of a European perception of our inadequacy in the exploitation of high technology research and development. Put SDI on one side and look at video recorders. Eighty or 90 percent of those sold in Europe come not from Europe but from Japan. Just one of many examples of why we need to do better on a European scale in exploiting the brains and research that we have already got."

Question: "SDI: European brain-drain to the US?"

Sir Geoffrey Howe: "All the European countries realize that SDI or not, there has been a growing drain of talent to the US, there is a risk of that going on. It is nothing to do with SDI, it is that they are much further advanced, they have got much more expensive, elaborate programs. Yet we in Europe have got the capability for developing these things ourselves and if we are going to go on raising our economic performance, go on beating our competition in the world, conquering world markets, regaining jobs for people in Europe, then we in Europe have got to get together to do it better. But SDI is just one manifestation of our hi-tech inferiority relatively. And there is no earthly reason why Europe should be inferior in those fields.

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fields. What we need to do is to get our act together and today we have been taking one more step in getting our act together.

Question: "The French say that the project has got to have government money put in, this is not the British position, how will you reconcile that?"

Sir Geoffrey Howe: "This is not the position of a number of other people either. There has been a very wide set of views expressed here today and I think that a number of the partners in this exercise agree with us. We agree with a lot of European industrialists that they would actually settle for non-government money if they could see a really effective European-wide market. If they felt that all the great public sector organizations, the post office, the telephone systems, of Europe were buying European products because they were good, if they could see that European companies were only getting together developing European projects and products and selling them throughout Europe then they would settle for no government money. Now other countries, France is a socialist government, she takes the view that public money does have a role in this way, so do some other countries, but there are those that agree with us as well. So what this is about is making the best of all methods, can we do more together to exploit European technology throughout Europe? Can we persuade Europe to buy European because it is worthwhile to buy European?"

Question: "That gets very close to a "Buy America Act." Is that not going to start a trade war?"

Sir Geoffrey Howe: "If you start from the fact that the US has got a "Buy America Act," there is nothing intrinsically immoral in us saying that we ought to try and be more effective together. I don't think we want to move into a world in which we are cutting each other off with great barriers between countries. But Europe could buy more from itself if we could operate more effectively together and produce more itself."

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