



Ref. A085/1940

PRIME MINISTER

MT

Cabinet: European Fighter Aircraft

As you know, the meeting of the Defence and Overseas Policy Committee, which was planned to take place after Cabinet on 18 July, has been cancelled. Mr Heseltine has just visited Dr Woerner in Bonn and there may be further meetings involving the British, French and German Defence Ministers aimed at resolving the current difficulties over launching the Project Definition phase of the European Fighter Aircraft (EFA).

2. I suggest that you ask the Secretary of State for Defence at Cabinet -

a. to report on his meeting with Dr Woerner and on the prospects for reaching either a five nation or four nation collaborative agreement;

b. to advise on the outcome of the industrial study which was due to be available at the beginning of this week on options for engine thrust.

3. You may also wish to take the opportunity of reminding Mr Heseltine that a meeting of OD will be required before substantive decisions on the launching of the Project Definition phase can be agreed, unless the conditions meet the requirements laid down by OD on 7 May (OD(85) 5th Meeting) which are briefly summarised at Annex.

Approved by
ROBERT ARMSTRONG
and signed in his absence.

17 July 1985

Conditions necessary before a commitment to enter into the EFA Project Definition Phase could be undertaken (Agreed at OD(85) 5th Meeting on 7 May 1985)

- a. Aircraft specification to meet the RAF's requirements on performance and capability.
- b. Engine of not less than 92 kilonewtons nominal thrust, with the EFA design being capable of taking an engine of RB199 size.
- c. Equal work shares of about 25 per cent for development in the United Kingdom, France and FRG with every effort being made to secure the front fuselage and high pressure turbine for the United Kingdom's share.
- d. UK design leadership for engine and airframe not a condition of entering the Project Definition (PD) phase, but every effort needed to secure leadership for Rolls Royce on the engine and to block France on airframe.
- e. Press for project management headquarters to be in the United Kingdom but, if location in FRG only way forward, compensating concessions needed from FRG.
- f. All relevant United Kingdom firms should be able to compete for equipment work while maintaining overall work share.
- g. Common marketing organisation should be fully addressed before any post PD commitments agreed.