

D

CONFIDENTIAL

Prime Minister (1)  
Agree to write  
as recommended?

PRIME MINISTER

14 March 1985

CDP  
14/3

EUROPEAN FIGHTER AIRCRAFT

Michael Heseltine's latest report reveals the predictable difficulties with this concept. Fundamental differences between the French and ourselves have emerged which reflect our differing attitudes to the military threat, to exporting, to aeronautical engineering, and to collaboration itself.

We have already moved dangerously far towards accepting:

1. That we need a new fighter at all: MoD have not yet decided internally that there is a military requirement for a fighter.
  
2. A weight limit of 9.5 +/- 0.25 tonnes which, in the views of a number of experts, is too small to accommodate the power and the avionics which will enable this plane to be effective.

To decide first on the weight, and then to work backwards to performance is a bizarre way to design anything. Michael Heseltine's technical advisers and BAe have argued that 10.5 tonnes is necessary. How can this be squared with the reported view of the Defence Staff that 9.75 tonnes will yield "an acceptable margin of superiority"? What has changed? The laws of aerodynamics certainly have not, and it is these in part which determine the weight of aircraft one would need.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

To identify a Soviet attacker at a sufficient distance to launch missiles before he does, a radar of a certain diameter is required, located in the nose of the aircraft. This, in turn, affects the shape of the fuselage, the drag it gives rise to, the power required of the engine, and hence the weight of the aircraft. If one disregards these basics, we could end up with a Third World aircraft, into whose inadequate airframe we will then try to squeeze the avionics we need, at great cost and with much delay, as we are now doing on the unhappy AEW Nimrod programme.

#### Collaboration

Michael Heseltine observes that the prize which successful collaboration could win for us is enormous. So it is, but so, too, is the cost of unsuccessful collaboration. We risk being scooped out by the French on our advanced technology, on worksharing, on project leadership and, at the end of it, building an aircraft of doubtful defence value, at an eventful cost to us of, who knows, £4 billion, £5 billion, £10 billion? Tornado's cost overruns have never been revealed but they were clearly sufficiently large to worry the Germans, who are judging this project against buying the American F18, rather than against a collaborative venture by the Panavia partners.

#### Recommendation

Michael Heseltine cannot commit himself to anything at the 25 April Defence Ministers' meeting, but his personal

CONFIDENTIAL

CONFIDENTIAL

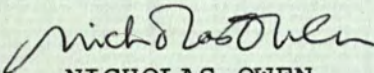
- 3 -

enthusiasm for collaboration may signal to our prospective partners that there are still further compromises in store, from which we will have difficulty extricating ourselves.

We recommend that you should, at this juncture, sound a cautionary note.

1. You might register your slight surprise that discussions should focus so much on the weight, rather than on the capacity of the proposed aircraft to meet the likely threat beyond 1995.
2. Express concern that we should not encourage our prospective partners prematurely, before we have established that there is a military requirement for a new aircraft, and have fully explored other ways of meeting the requirement.

These considerations, rather than the timing of the BAe sales, should determine our negotiating timetable.

  
NICHOLAS OWEN

CONFIDENTIAL



10 DOWNING STREET

Prime Minister

One or two of  
your colleagues are  
concerned that MH's  
enthusiasm for this  
project may lead him  
to premature commitments.

Would you like a  
small meeting to discuss  
where we are & the line he  
should take in future  
discussions?

Yes not  
C.D.P. 15/3.