

PRIME MINISTER

cc Professor Griffiths  
Sir Percy Cradock

LLOYDS REGISTER HULL DESIGN INQUIRY

You will recall that after lobbying by Lord Hill-Norton, the MOD established an Inquiry, eventually carried out by Lloyds Register of Shipping, into the comparative advantages of traditional hull designs and the Sirius design of Thornycroft, Giles and Associates (TGA) - i.e. long, thin ships against short, fat ships.

*Will the Duty Unit.* Lloyds have now presented their almost inch thick report. The "firm conclusion" of their Inquiry is as follows:

We have made a very thorough assessment of the advantages and disadvantages of the S90 hull form and the associated Sirius design concept for the purposes of meeting the NSR 7096 for an anti-submarine warfare frigate. Arising from this assessment, the Inquiry can find no reason to disagree with the MOD's preference for the Type 23.

In reaching this overall conclusion, and wishing to avoid any possibility of an unfair penalty accruing to the Sirius hull form due to the unfinished state of the designs considered, we have consistently, throughout our investigations, assigned every reasonable benefit of doubt to the Sirius concept. We have assumed, for example, the optimum trim conditions when calculating the speeds, although this has not been achieved in practice, and if it were to be achieved may still involve some other operational penalty. To counter the large rolling motions, it has been assumed that suitable roll damping devices are fitted, although no account has been taken of the implications of such devices on the speed and noise characteristics of the design. There are other similar instances. Our adverse conclusion with respect to the Sirius design concept as embodied in the S102 and S115 must therefore be considered as the most optimistic view

with respect to the suitability of such a design for the current ASW frigate requirement.

The MOD hope to publish the Report by the end of this month. They have offered to let Mr. Giles have a copy in advance of publication if he undertakes not to disclose it before its publication.

You will remember that Christopher Monckton interested himself on the side of TGA, in this controversy. He has recently sent us a paper attacking the Inquiry. At Flag A are MOD's comments on Christopher's paper which is at Flag B. If you agree, I shall reply to Christopher on the lines of the letter at Flag C.

Agreed - It seems that Mr. Giles has done a very  
fair and thorough  
job.

N.C.W.

NIGEL WICKS  
15 April 1988

EL3CRB



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MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1A 2HB  
Telephone 01-218 2111/3

111 April 1988

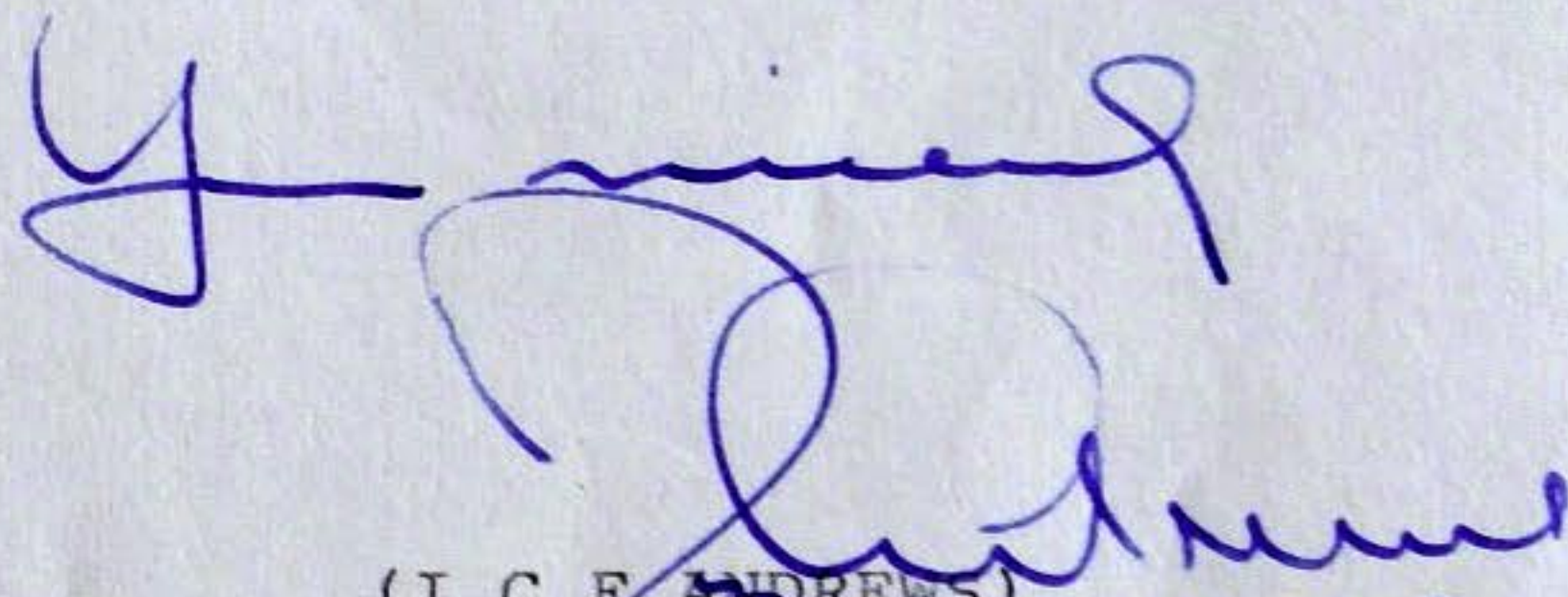
*Dear Nigel,*

LLOYD'S REGISTER HULL DESIGN INQUIRY

Thank you for your letter of ~~29th~~ March with which you enclosed papers from Mr Monckton about the Lloyd's Register Inquiry into hull forms.

I attach a background note on the current position together with a draft reply for you to send to Mr Monckton. As you will see from these attachments, we have written to Mr Giles offering him the opportunity to see the report before it is published and to make representations to the Defence Secretary if he so wishes. As the draft letter to Mr Monckton makes clear, we consider the proper channel of communication on these matters to be direct between Mr Giles and the Ministry of Defence, rather than through journalists who say that they are acting on behalf of others.

We hope to be in a position to publish the report by the end of this month and both we and Lloyd's Register are anxious to avoid premature disclosure of the contents of the report. A copy is enclosed for your information but I should be grateful if you would ensure that it is accorded the appropriate degree of protection prior to publication. I do not suggest that you should read it all, but I commend to you the introductory letter from Mr MacLeod.

  
(I C F ANDREWS)  
Private Secretary

Nigel Wicks Esq  
No 10 Downing Street

BACKGROUND NOTE

LLOYD'S REGISTER HULL DESIGN INQUIRY

1. Mr Monckton's paper makes a number of incorrect assertions. The report of the Lloyd's Register Inquiry has now been received in the MOD and it is now being studied. Our aim is to publish this as soon as we can, probably by the end of April.

2. We hope that, despite the recent attempts by Mr Giles and his supporters to question the competence of Lloyd's Register and their impartiality, the press and public will find the report sufficiently authoritative to bring the matter to a sensible conclusion.

3. Mr Monckton has made a number of incorrect assertions and allegations and our comments on these are set out below:

a. That MOD has exerted unfair pressure on LR - This is untrue. MOD made a detailed submission to the Inquiry on the points made in Lord Hill-Norton's paper, gave oral evidence, and answered LR's supplementary questions and requests for additional information. At no time has MOD sought to influence the outcome of the Inquiry, and we have left the conduct of the Inquiry to LR. LR were appointed because of their reputation for impartiality and competence and with the agreement of both Lord Hill-Norton and Mr Giles. MOD has been given no reason to doubt either their impartiality or their competence since.

b. Care of TGA's copyright information - LR have taken care to safeguard TGA's property and have asked Mr Giles to specify the material which should not be passed to the MOD.

c. Claims for the performance of the Sirius Hull form - These have been considered in great detail by the Inquiry for over a year and we are now studying the Inquiry's conclusions.

d. Alleged illegalities - MOD purchased the Hong Kong Patrol Craft (HKPC) in good faith from Hall Russell (then part of British Shipbuilders) and the order was won by them after a full and fair competition. TGA were advised well in advance of MOD's requirements but, of the two shipbuilders TGA advised us were prepared to offer Mr Giles' design, one withdrew during the competition and the other declined to tender. Whilst BS admitted that they had acted wrongly in testing an Osprey model without permission, they did not accept that the HKPC owed anything to Osprey. MOD were unaware that the testing had been carried out and were not in any way involved. MOD were not a

party to the legal action, but did assist both parties with the provision of copies of documents. MOD did not of course meet the legal costs of BS. The terms of the Out of Court settlement were confidential.

Mr Monckton visited Bath as part of a team from the No 10 Policy Unit to discuss the TGA designs and Mr Monckton subsequently produced a detailed paper making a number of allegations. These were investigated independently by Mr Bryars, a retired DUS. His subsequent report gave the Department a clean bill of health and a copy of his findings was passed to No 10.

e. LR Inquiry - LR have given Mr Giles every opportunity to substantiate his claims for the Sirius hull form. The Inquiry paid for him to develop his proposals into a design which more closely met the MOD's requirements for an ASW frigate, provided him with the results of tank testing and other studies carried out by or on behalf of the Inquiry, and consulted him on their tentative and broad findings before preparing their report. These arrangements were subject to the condition, which he accepted, that he would not publicise, or cause to be made public, any of the deliberations of the Inquiry until the report has been published. Mr Giles now seems to have broken that agreement.

Mr Monckton says that the Inquiry has refused to consider his "S115". This is a longer and thinner vessel than TGA's original proposal and, in their report, LR say that they have given it sufficient consideration to form a view and devote several pages of their report to the consideration of the S115.

LR have taken care to ensure that their main report does not contain any commercial in confidence information which should not be published and have respected TGA's request that they should not pass on to MOD certain information owned by the company.

Mr Giles has been informed that the report has been received by the MOD and, provided that he agrees not to make public or disclose to third parties the contents of the report prior to its publication, he has been given the opportunity to see it in advance of publication, and to have a reasonable time in which to make representations to the Defence Secretary, should he wish to do so. Arrangements have also been made for Lord Hill-Norton to see the report, subject to the same restrictions.

LR's costs for the Inquiry amount to about £1.3 million.

ELB CRC

DRAFT LETTER TO MR MONCKTON

LLOYD'S REGISTER HULL DESIGN INQUIRY

Your letter to Sir Percy Cradock and its enclosures have been passed to me and I have been in contact with the Ministry of Defence.

I understand that they have written to Mr Giles offering him the opportunity to see the report in advance of publication and giving him a reasonable time to make representations to the Defence Secretary, should he wish to do so. <sup>For understandable reasons</sup> ~~Naturally~~, Mr Younger will agree to let Mr Giles have this special opportunity to see the report only <sup>ES</sup> if ~~he is prepared to give an undertaking~~ <sup>ES</sup> not to disclose the contents to anyone else before it is published.

The conduct of the Inquiry itself is, ~~of course~~, a matter for Lloyd's Register of Shipping and neither the Prime Minister nor the Defence Secretary has sought to intervene in any way.

LOBASE

*File*



10 DOWNING STREET

LONDON SW1A 2AA

*From the Principal Private Secretary*

29 March 1988

SHORT FAT SHIPS

Christopher Monckton, formerly of the Policy Unit and now of the Evening Standard, has sent to Sir Percy Cradock, the Prime Minister's Foreign Affairs adviser, the papers attached about the short fat ships controversy. The papers take the form of a note to the Prime Minister covering copies of correspondence between solicitors and Lloyds Register of Shipping. I understand from Policy Unit that there might be some publicity regarding this approach to No. 10.

I should be grateful for advice on the response to be sent to Mr. Monckton, together with a background note on the position of the Lloyds Register inquiry into this matter and on Mr. Monckton's allegations. I have not yet shown the Prime Minister these papers, but may wish to do so in view of her previous interest in this matter. I assume that any reply to Mr. Monckton will be a Private Secretary letter.

Please could I have a draft reply by Tuesday 12 April.

*N.B.*

N. L. WICKS

Ian Andrews, Esq.,  
Ministry of Defence.

*cc*

MR WICKS

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29th March 1988

The attached papers have been handed to me by Sir Percy Cradock. They were sent to him following a lunch he had with Christopher Monckton. If you feel it appropriate to pass them to the Prime Minister please do so.

*Brian Griffiths*

BRIAN GRIFFITHS

The long running saga of the short/fat ship has yet again surfaced. The attached note to the Prime Minister sets out the position. If you think it appropriate, please put the note through to her.

By way of background, the Lloyd's inquiry has been subjected to frequent pressure from the Ministry of Defence, which has gone to some extraordinary lengths to prevent acceptance of the Thornycroft Giles Hull design for warships. Nonetheless, the inquiry has found that in most material respects the design is capable of performing as the inventor had claimed.

However, Lloyd's Register are unwilling to give full consideration to a version of the Giles Hull form that is capable of meeting the Naval staff requirement for the Type 23 frigate. The inventor is rightly upset about this and is also worried that the report of the inquiry may contain data which he would rather keep from the Ministry of Defence at this stage in view of their past breach of his copyright in collaboration with British Shipbuilders.

If you are able to persuade Lloyd's not to submit their report to the Ministry of Defence until Lord Hill-Norton returns from holiday and is able to speak to the Prime Minister, I should be grateful.

I continue to think that the strategic importance of this hull design may be much greater than the Ministry of Defence is willing to admit. Some time ago, I briefed Fred Ikle at the Pentagon on the possibilities and the U.S. Navy are about to embark upon a major study of the potential of the design, not only as a fast frigate for detection of Soviet submarines by active sonar but also as a resupply vessel to remove men and materiel from the U.S. to Europe at high

peed.

Over to you.

With all good wishes,

Yours ever,

*Christopher.*

CHRISTOPHER MONCKTON

Sir Percy Cradock, GCMG,  
10 Downing Street,  
London SW1.

## H U L L F O R M S F O R W A R S H I P S

Mr. David Giles, of Thornycroft, Giles & Associates, has asked me to appeal to you for assistance in the closing stages of the official inquiry into his "short/fat" hull design for warships which you set up under Lloyds of London in 1986. He believes - in my view rightly - that he is not being treated fairly. There is now a real risk that this potentially excellent British invention, like too many others before it, will be exploited not in Britain but overseas.

## The short/fat hull form

Thornycroft, Giles & Associates Ltd. are the inventors of a new hull-form which, they claim, combines the strength, stability, load-carrying capacity and construction economy of a short/fat commercial hull with the high speed/power ratio of a long/thin warship hull.

The Giles design reshapes the hull so as to induce hydrodynamic lift at high speed, counteracting much of the additional wave-making resistance which would otherwise arise even in the long/thin hulls which traditional warships use to reduce resistance.

The strategic advantages of such a hull-form would be considerable. For instance, a 115-metre frigate built to Giles' specifications would be cheaper to build than the Type 23 Frigate, but (with surprisingly little extra powering) could travel twice as fast. The primary purpose of a frigate (even a multi-role vessel like the Type 23) is to detect, pursue and destroy enemy submarines. Soviet submarines are capable of 45-50 knots submerged. The Type 23 can do 26-29 knots, which is far too slow. The Giles design can do 60 knots or more.

## MoD's involvement in the unlawful use of the Giles design

In April 1982 Geoffrey Pattie, then Minister for Defence Procurement, invited Giles to join forces with British Aerospace to design a cheap stalking-horse for the Type 23 frigate design, then under development.

In 1983 the Defence Scientific Advisory Council rejected the proposed hull design as unsuitable, but in the meantime the MoD Ship Department (now Sea Systems Controllerate) at Bath had collaborated with British Shipbuilders to breach the Giles copyright and to incorporate certain key features of the design into the Peacock Class Hong Kong Patrol Craft (HKPC), which they were then developing. Bath's previous attempts to meet the tough speed/power specification for the HKPC had failed, but the Giles design, which was used without his consent and without payment to him, enabled the vessel to travel well in excess of the stipulated maximum speed.

In researching the HKPC hull-form, British Shipbuilders conducted 2,900 unlawful test runs on six models of the Giles design at the Vickers test tank at St. Albans, without the inventor's permission but with the knowledge and collaboration of Ship Department, Bath. It is possible that some of the huge cost of this unlawful testing was met from the budget of the Controller of the Navy. When Giles heard of the testing, he began a legal action against British Shipbuilders.

The Policy Unit investigated the matter in 1984 (David Pascall) and again in 1985/6 (Christopher Monckton), confirming the facts above. We recommended to you that, because Giles had been unjustly treated, his case should be immediately settled out of court, and that MoD should reconsider its flawed reasons for rejecting the design.

you then instructed the Secretary of State for Defence to investigate. In the subsequent internal inquiry the MoD exonerated itself, but it was curious that at no point did any of the MoD investigators approach the Policy Unit, which had supplied the information on the basis of which they had been asked to act.

Thornycroft Giles took British Shipbuilders to court and, in January 1987, won costs and damages amounting to £650,000 in a secret out-of-court settlement. The total cost to the taxpayer, after British Shipbuilders and MoD had met their heavy legal and discovery costs, was probably not less than £2 million. Much of this could have been averted had our original advice to settle quickly been taken.

#### Lord Hill-Norton's committee

In 1986 an informal committee under Lord Hill-Norton reported to you that a) contrary to MoD's assertions, there was an urgent strategic need for a cheaply-built surface ship capable of very high speeds with a comparatively low powering requirement; b) the Giles design might be suitable and deserved a fair assessment; c) the MoD's reasons for rejecting the Giles design were technically unsound and mathematically incorrect; d) there should be an independent, official inquiry into the suitability of the Giles hull-form for the Navy.

#### The Lloyds inquiry

In the spring of 1986, after a meeting with Lord Hill-Norton, you asked MoD to set up the independent inquiry which the Hill-Norton committee had recommended.

MoD, which has behaved unsatisfactorily throughout this affair, at first attempted to appoint as head of the inquiry Professor Caldwell, the chairman of a subsidiary of British Shipbuilders which had been closely involved in the unlawful testing of the Giles design in collaboration with Ship Department, Bath. You rightly intervened at the Policy Unit's instigation, and the Professor at once resigned "for personal reasons". There was no suggestion that he would have allowed any bias to intrude: but his conflict of interest made it impossible for him to remain in post.

You did  
not,  
MoD  
handled  
it.

You then appointed Lloyds Register of Shipping to conduct the inquiry, which has been at work ever since and is now due to report.

The chief task of the Inquiry was "to consider the advantages and disadvantages of the S90 hull form for the purpose of meeting the Naval Staff Requirement (NSR 9069) for an anti-submarine frigate insofar as the current state of development of the S90 permits."

Though the S90 was not designed to meet the NSR, Thornycroft Giles have developed it, in co-operation with Lloyds, into a larger variant, the S115, which meets the NSR and, as Lloyds accept, is in some ways superior to the Type 23 design now being built at Yarrows.

The S115, being shorter and wider than the Type 23, could be built in smaller privatised yards at lower cost than at Yarrows, making a 50-frigate Navy more achievable. It accordingly represents a threat to the future of the very costly, very slow and very late Type 23, which was designed by the MoD's Ship Department at Bath. Other Navies are no longer enthusiastic about slow frigates like the Type 23.

Thornycroft Giles fear that this is why the Inquiry, which acts under contract to MoD, has refused to consider the S115 design in any detail, even though it had originally commissioned Giles to develop the design. Instead, the Inquiry has decided to base its assessment on its own variant of the Giles design, the S102, which is merely a scaled-up S90 and cannot meet the NSR.

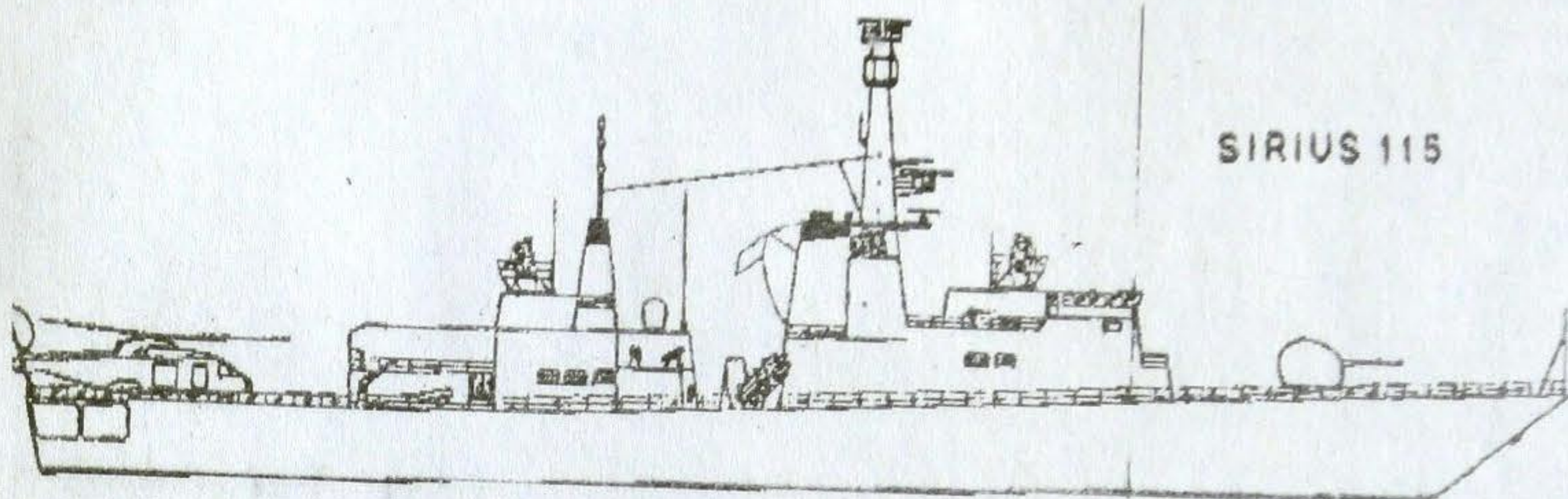
Thornycroft Giles would like you to intervene to persuade the Inquiry that it should give the S115 design as thorough an investigation as the S102. The Inquiry has refused to do this, and has also refused to give any reason for not doing it (see exchange of letters at Annex 1).

The Inquiry has also said it will not show its report to Thornycroft Giles before submitting it to MoD. Thornycroft Giles would like to see the report in advance for two reasons: first, they do not want their confidential research results to fall into MoD's hands, since MoD has already been closely associated with a breach of copyright relating to the Giles design; secondly, they want the chance to make representations before the report is finalised in case Lloyds have misunderstood or misinterpreted any of their data.

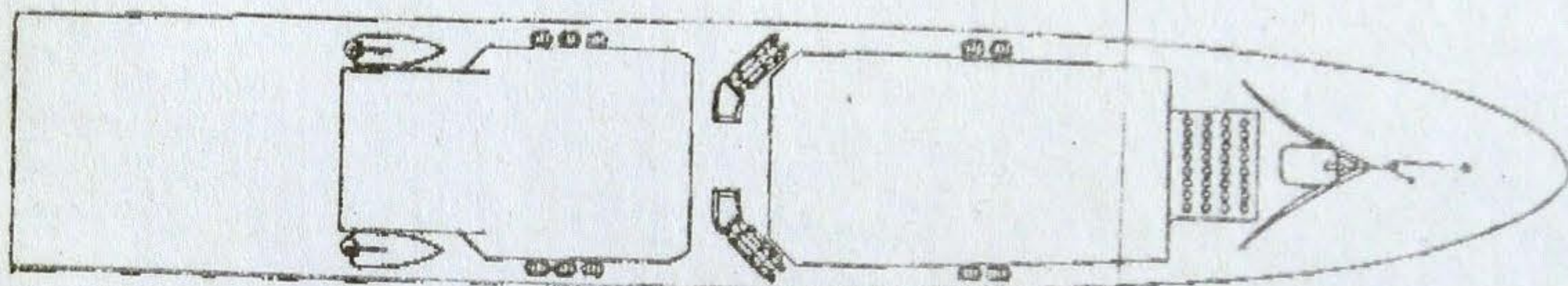
Both these requests are reasonable and, in the interests of a full and fair Inquiry, there can be no objection to them. Lord Hill-Norton, who is out of the country until April 3, fully supports Thornycroft Giles in making these requests and would welcome the chance to talk to you personally.

Agree to invite Lloyds Register to defer submission of their report to MoD until you have spoken to Lord Hill-Norton on his return?

# THE SIRIUS 115 AND THE TYPE 23 FRIGATES



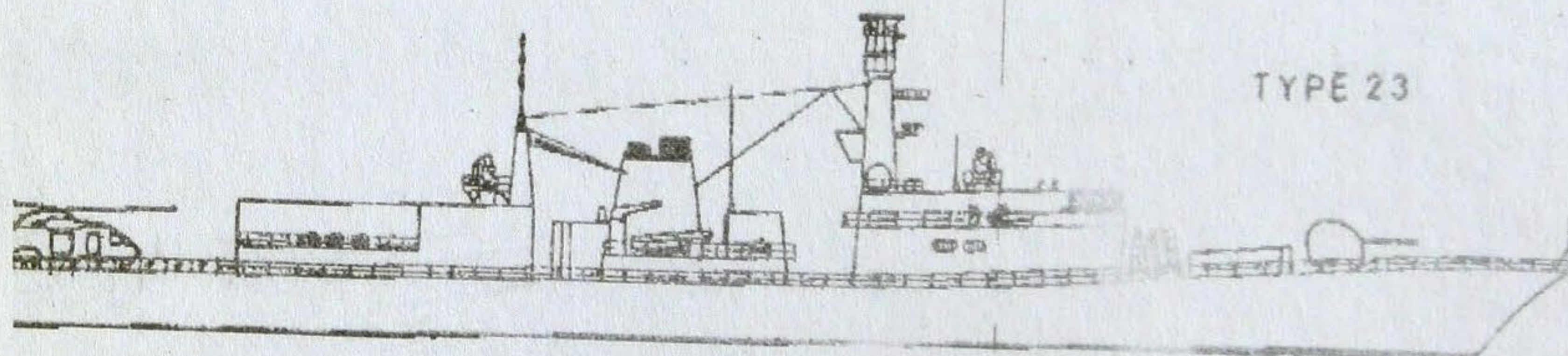
SIRIUS 115



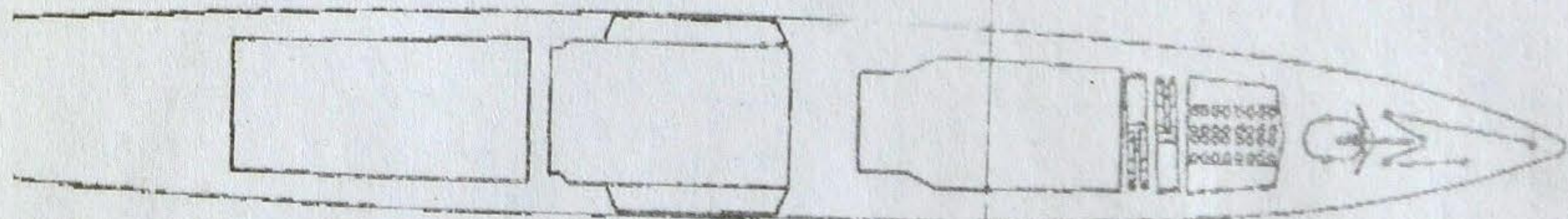
**Sirius 115 Principal Particulars:**

Displacement (full load) about 4000t  
 Length (overall) 115.0m  
 Length (waterline) 103.6m  
 Beam (maximum) 20.00m  
 Beam (waterline) 18.00m  
 Depth 10.00m

Installed power  
 Gas turbines (Spey SMIC) 2x18000kW  
 Electric motors 2x2040kW  
 Speed about 28 knots  
 Endurance - normal 6500 miles at 18 knots  
 full fuel 11500 miles at 18 knots  
 Complement 167 + 4 (spare)



TYPE 23



**Type 23 Principal Particulars:**

Displacement (full load) about 4000t  
 Length (overall) 133.0m  
 Length (waterline) 123.0m  
 Beam (maximum) 16.25m  
 Beam (waterline) 15.00m  
 Depth 8.92m

Installed power  
 Gas turbines (Spey SM1A) 2x14000kW  
 Electric motors 2x1300kW  
 Speed about 28 knots  
 Endurance 7000 miles at 18 knots  
 Complement 157 + 20 (spare)



# Lloyd's Register of Shipping

71 Fenchurch Street, London, EC3M 4BS

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Telex 888378

Cables Committee, London EC3  
Fax 01-498 4798 (Op III)

Frere Cholmeley  
28 Lincoln's Inn Fields  
London  
WC2A 3HH  
Attn: Mr F.G. Presland

Our Ref HNCD/JGB/2583/1080

Your Ref FGP/RJC

Date 15th March 1988

Dear Sirs,

## Hull Design Inquiry

Thank you for your letter dated 10th March 1988, in which you write that it is incumbent on the Inquiry to conduct a detailed assessment of the S115 design or at the very least to give clear reasons why it will not do so. Our Report will state our reasons for believing why we need make no further evaluation of the S115 design in order to discharge our terms of reference.

We have forwarded to the Secretary of State TGA's proposals contained in your letter dated 8th March 1988 to Elborne Mitchell. If your proposals are agreed, TGA will be able to see the Report at least fourteen days before the Secretary of State publishes it.

Yours faithfully,

J.G. Beaumont,  
Chief Ship Surveyor.

ANNEX I

3.16.1988 11:05

ANNEX I

≡ FRERE CHOLMELEY

28 Lincoln's Inn Fields, London WC2A 3HH  
Telephone: 01 405 7878  
Fax: 01 405 9056/01 242 7724  
Telex: 27623 Freres G  
LDE: DX 140

Lloyd's Register of Shipping  
71 Fenchurch Street  
London  
EC3M 4BS

Your Ref

HNCD/JGB/2583/ab

Our Ref FGP/RJC

10th March 1988

BY FAX

Dear Sirs,

Hull Design Inquiry

We refer to our letter to you of 26th February, 1988.

In that letter we asked the Inquiry for their reasons for refusing to conduct a detailed assessment of the S115 design, when by the Inquiry's own admission, it met all the significant requirements of the NSR 7069 with the debatable exception of speed.

We do not consider that your reply of 2nd March, 1988 constitutes a sufficiently reasoned response. It is not enough for the Inquiry to say that they will consider every point made by our clients on the S115 or that they will describe in general terms in their Report the ways in which the Inquiry consider the S115 to be superior to the S102 in relation to the NSR 7069. As we stated in our previous letter, in these circumstances it is incumbent on the Inquiry to conduct a detailed assessment of the S115 or at the very least to give clear reasons why it will not do so.

We have advised our clients that the Inquiry's approach may well be unlawful for four reasons:-

1. The Inquiry is obliged as a matter of public law to give full reasons for its refusal to deal fully and properly with the S115 design; so far no such reasons have been given.
2. In the absence of valid reasons a court may well conclude that the Inquiry is acting for bad reasons.

Lloyds Register of Shipping

10th March 1988

3. In any event, to refuse to consider the S115 fully is perverse, since the Inquiry cannot then be said to be fulfilling its duties as defined by the Terms of Reference.
4. Our clients had been given to believe by the Inquiry that the S115 would be the subject of a detailed assessment if they could show substantial improvements over the shortcomings of the S102 in relation to the NSR and this they have done. Why else would the Inquiry have provided our clients with funds to undertake this study if this was not the case? If our clients had known that the Inquiry would adopt its current attitude they would not have acted to their detriment in expending their own time and money on the exercise in addition to the out-of-pocket expenses agreed with the Inquiry.

Please may we now hear from you with a full explanation for the Inquiry's decision. It may be that the only way in which this matter can be resolved would be for one final meeting between our respective clients to discuss the S115. In both these respects, we would ask that you write to us by close of business on Tuesday, 15th March 1988.

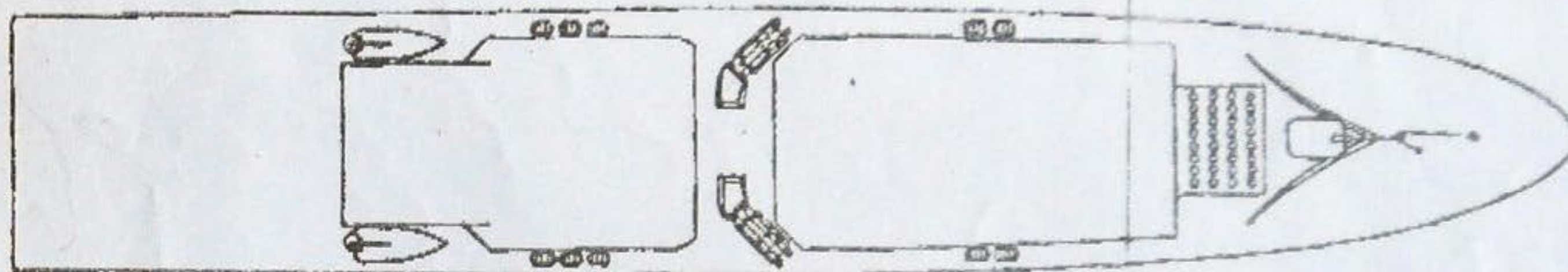
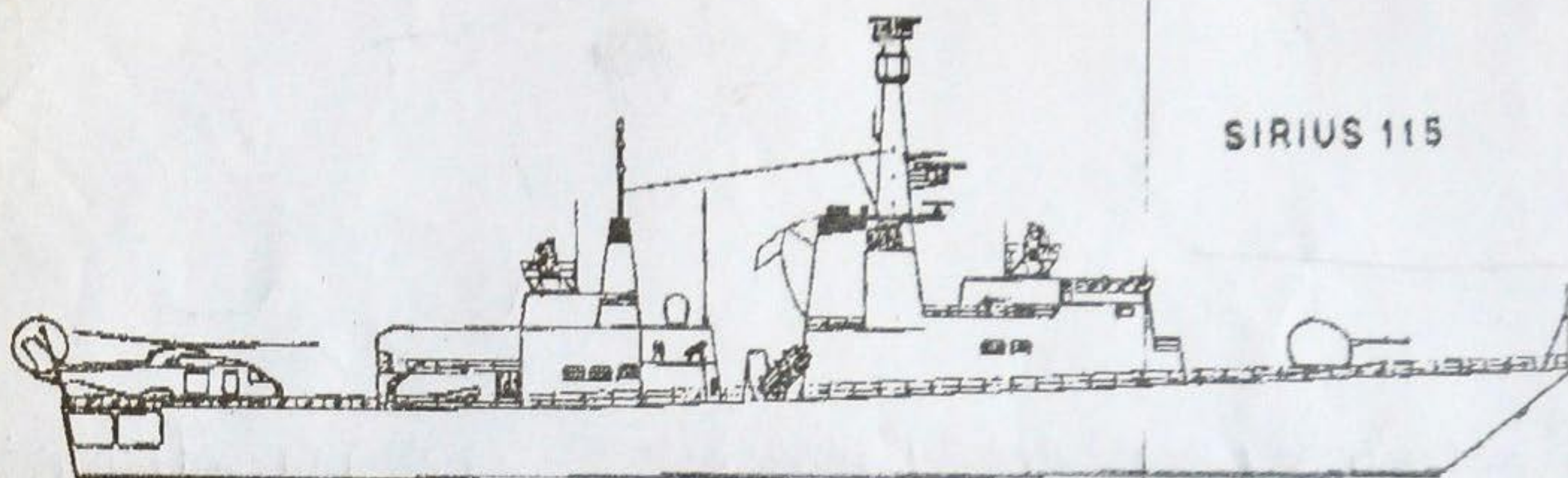
Yours faithfully,

*Frere Adneley*

c.c. Elborne Mitchell

## THE SIRIUS 115 AND THE TYPE 23 FRIGATES

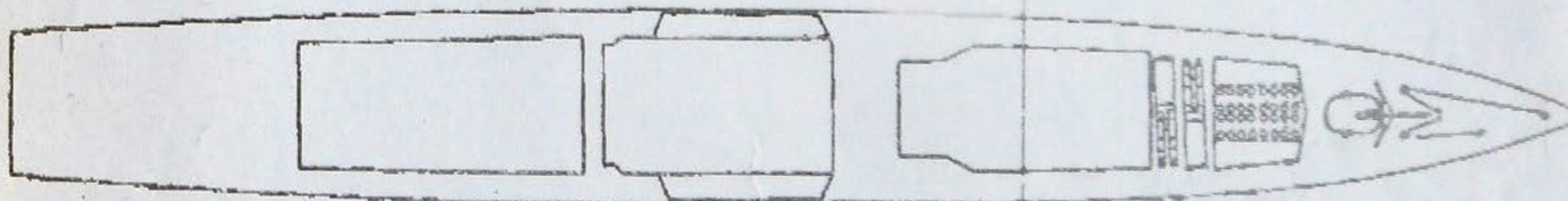
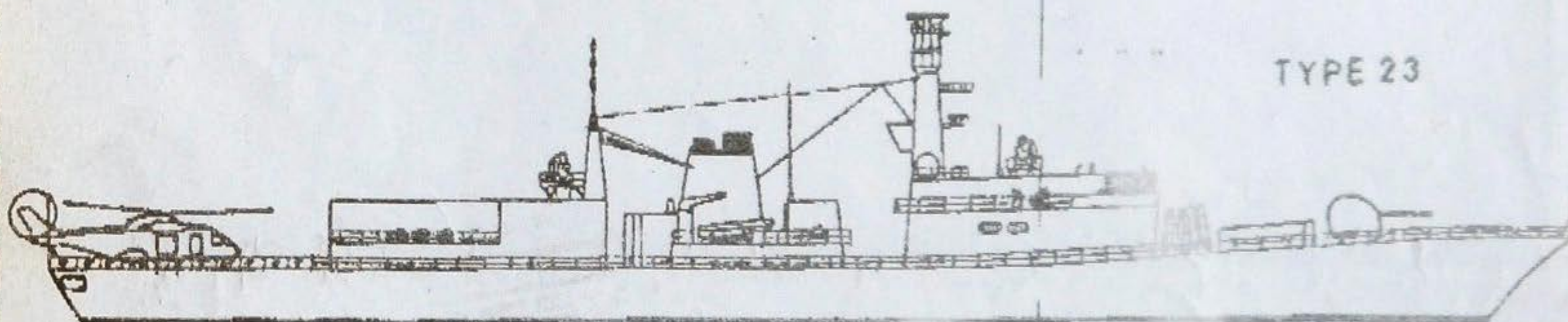
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FROM

3.16.1988 11:05

P. 3

1988-03-15 16:29

LLOYD'S REGISTER LONDON

01 488 4796 P.02

PRIVATE & CONFIDENTIAL



# Lloyd's Register of Shipping

71 Fenchurch Street, London, EC3M 4BS

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Frere Cholmeley  
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10th March 1988

3. In any event, to refuse to consider the S115 fully is perverse, since the Inquiry cannot then be said to be fulfilling its duties as defined by the Terms of Reference.
4. Our clients had been given to believe by the Inquiry that the S115 would be the subject of a detailed assessment if they could show substantial improvements over the shortcomings of the S102 in relation to the NSR and this they have done. Why else would the Inquiry have provided our clients with funds to undertake this study if this was not the case? If our clients had known that the Inquiry would adopt its current attitude they would not have acted to their detriment in expending their own time and money on the exercise in addition to the out-of-pocket expenses agreed with the Inquiry.

Please may we now hear from you with a full explanation for the Inquiry's decision. It may be that the only way in which this matter can be resolved would be for one final meeting between our respective clients to discuss the S115. In both these respects, we would ask that you write to us by close of business on Tuesday, 15th March 1988.

Yours faithfully,

*Frere Colmeley*

c.c. Elborne Mitchell