



FCS/88/006

SECRETARY OF STATE FOR DEFENCE

European Transonic Windtunnel

1. I was disturbed to learn that, at the meeting on 13 January between Simon Glenarthur, Robert Atkins and Timothy Sainsbury, at which John Fairclough, the Chief Scientific Adviser was also present, no agreement could be reached about UK funding for the Windtunnel.

2. Simon Glenarthur has told me that, while everyone agrees about the overall value of the project, there are conflicting views as to the degree of military use to which it will be put. Whatever the correct view is on this, it is a fact that the MOD has repeatedly agreed with the decision to participate in this project, most recently following an exhaustive review by Ministers in 1985. I recognise that the cost has risen since then due to exchange rate fluctuation as well as inflation. Cost over-runs are a feature of national as well as international projects. In this case the revised estimates have been available to us since June 1987. I do not see how a withdrawal by us at this late stage can be reconciled with the Prime Minister's letter to Chancellor Kohl of 24 June 1985. This confirmed Britain's full participation and welcomed the prospect of collaboration on the project. The reaction of our partners in the project to withdrawal now could not unnaturally be that we were breaking a firm commitment.

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3. I very much hope, therefore, that your Department will be able to agree before the meeting next week on making the necessary contribution to the project.

4. I am sending a copy of this minute to the Prime Minister, David Young, John Fairclough and Sir Robin Butler.

A handwritten signature in dark ink, appearing to be 'G. Howe'.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
18 January 1988

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