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**Britain and the Political
Economy of European
Military Aerospace
Collaboration,
1960–2023**

Keith Hayward

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Abstract: The United Kingdom has been collaborating with international, primarily European, partners in the design, development and production of advanced combat aircraft for over sixty years. Driven by a combination of rising costs and limited domestic markets, collaboration has also been a highly political act involving a combination of national, industrial and technological interests. Over the years, the form of collaboration has evolved, in some cases leading to the creation of transnational companies. The United Kingdom has been a pioneer of globalisation in the defence industry, establishing a strong presence inside the US defence market and has become a significant partner with American companies in key military aerospace programmes. This has contributed to divisions within the European military aerospace industry which are likely to continue into the next generation of combat aircraft.

Keywords: defence spending, military aircraft, aerospace industry, political economy, Anglo-European relations

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Introduction

The practice of European aerospace collaboration is now over sixty years old and Britain's involvement with its neighbours, if dated from the Anglo-French Concorde Treaty of November 1962, almost exactly that. On a personal note, my first tentative essay on the subject dates from 1969; as an undergraduate student of Defence Analysis, I considered the 'pros and cons' of European military aerospace collaboration. It would be fun, if somewhat trite, to write that nothing much has changed in the interim. While there is an element of *deja vu* in this Element, much has changed from the 1960s. My naïf essay appeared at a time when some of the first collaborative programmes had either collapsed or were in trouble (I should also admit that my first published article on the Airbus from 1976 was less than hopeful about its future). From the perspective of the second quarter of the twenty-first century Europe now has several world-class trans-European defence/aerospace companies – at least three of which are better described as global in scale and scope, and two of these are British owned and headquartered. The United States still dominates much of the world defence industry and export markets, but in some areas of advanced military technology Europe has at least stayed in touch with the Americans – something that would not have been confidently predicted fifty years ago.

From a more parochial British viewpoint, by the early 1960s, the UK aerospace industry was, as I have written elsewhere, *Struggling to Survive*.¹ A belated rationalisation of the leading companies had produced two still under-resourced airframe groups, British Aircraft Corporation (BAC) and HSA, one helicopter firm, Westland, and two engine suppliers, Rolls-Royce and Bristol Siddeley Engines (BSE), the former more successful and capable than the latter, indeed perhaps the only truly world-class company in the national industry. The creation of two competing aircraft and engine companies was explicitly aimed at maintaining some degree of domestic competition, but which in practice only led to an implicit 'Buggins Turn' in allocating government-funded work. In 1966, Rolls unilaterally ended this charade by taking over BSE. The 1950s had seen the delivery of many British military programmes, few of which in the later years of the decade had made much headway in world markets; some had been absolute turkeys. The French, especially Dassault's family of fighters, had begun to pull ahead and the Swedes had begun to deliver some very effective products. Other Europeans, primarily Germany and Italy, were beginning to rebuild their aerospace industries. The Americans, however, were the main source of supply to the NATO alliance and other 'allied' nations.

¹ Forthcoming.

Worse was to come – in 1964–5, the newly elected Labour government axed a series of military aircraft projects, including the white hope BAC TSR.2. To rub salt in the wound, the government then ordered American aircraft to fill the bomber and transport gap left by these cuts. To balance some of the lost work, Labour continued with the expensive ‘Anglicised’ American F-4 K Phantom and somewhat reluctantly funded Hawker’s VSTOL P.1127, later known as the Harrier. However, the aerospace industry, although much maligned by Labour politicians, was still seen as a key employer and a high-value technology-intensive sector. This implied the need for continued support either in the form of R&D funding launch aid for civil projects or military contracts. The struggle to sustain the industry on the back of a small domestic market against a background of rapidly escalating development costs was the main reason the TSR.2 was axed and why the Labour government picked up the thread of cooperation with the French.² Matters were not helped by the tendency on the part of the RAF and MoD to ignore the export potential in formulating requirements, a British failing that continued for decades after the war. The United Kingdom also cancelled projects, such as the supersonic Hunter, that might have won a share of the world market. The French, on the other hand, would tend to prioritise a wider marketability – a factor that helped to explain sales of Dassault aircraft.³

The 1962 Concorde treaty hopefully signalled a better way: share the development costs and launch projects between two comparable states and launch production on the basis of a wider ‘domestic’ market. With the publication of the Plowden Report in 1965 into the UK aircraft industry, the Labour government went further, stating categorically that the United Kingdom should never again independently build large and complex aircraft, civil or military. So, building on the Concorde principle (no matter that Labour also wanted to cancel this project as well as the others in the 1964–5 cull), by 1966, the United Kingdom was committed to a series of bilateral military joint projects with France.

This Element begins at this point, describing what would turn out to be decades of turbulent politics and perhaps some dubious defence economics. It finishes with a much stronger British military aerospace industry, but with unfinished European business. Where possible (which effectively means up to the mid-1990s) I have used UK government archives located at Kew as well as some unpublished sources located at the National Aerospace Library (NAL) in

² The economic rationale for the TSR-2 cancellation might have been more justifiable had the decision not also included an order for the American F-111, which was itself cancelled in 1967.

³ I am grateful to Mr Paul Stoddard for this observation, and for several other comments on an earlier draft of this Element.