

CONFIDENTIAL



FROM: CHIEF SECRETARY
DATE: 13 December 1982

PRIME MINISTER

*This wrongly addressed minute
is to be replaced by another
one. A.S.C. ¹⁴/₁₂
h-a.*

STRATEGIC TANKERS

(no notes)

I have seen your minute of 9 December to the Prime Minister. Her Private Secretary subsequently wrote to yours on 10 December. I am also aware that MOD officials have now completed a first assessment of the rival offers.

2. I accept that, on the basis of the information now available, the Tristar looks the better choice, but a modest delay in announcing a decision could be financially advantageous.
3. It should be possible to improve either offer in a number of respects in the course of contractual negotiations. An announcement in advance of such negotiations must inevitably weaken our position; and since we are in a buyers' market I see no risk of a financial penalty from any delay.
4. I am aware of the presentational and political advantages of an early decision; and that there are operational reasons for not delaying it too long. But it should be possible for your officials to clarify the areas of uncertainty and explore the room for manoeuvre within the competing tenders in time for you to make an announcement in the course of the debate next week on the Falklands White Paper.
5. I am copying this letter to members of OD and Sir Robert Armstrong.

J.S. Grev

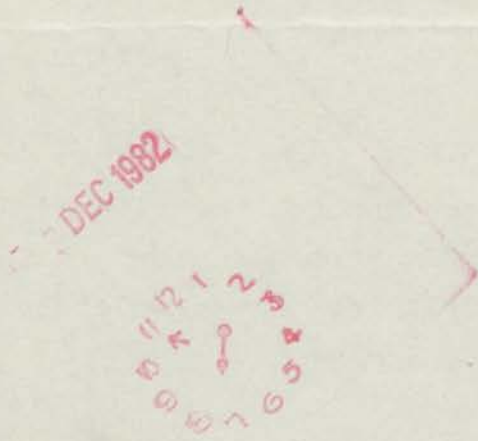
Jor

LEON BRITTAN
[Approved by the Chief Secretary
and signed in his absence]

Defence:

Purchase of DC10

Dec 82



COMMERCIAL

1982