

SRWAFG

CONFIDENTIAL

PRIME MINISTER

ROYAL ORDNANCE PLC

This, on re-reading, seems to me to go beyond what was agreed at your last meeting, in the invitation to Vickers to make a formal proposal to buy Leeds, though not Nottingham, and the statement of an intention to place the Challenger order with Leeds by the end of July if Vickers do not buy the factory.

This way of proceeding may well be sensible, but MoD should have consulted you and other Departments first.

The motive is not I think skulduggery but convictions about the right way of proceeding which are held too firmly.

I should like, if you agree, to issue a mildly-worded warning.

DNF

I think they will think they are acting quite efficiently in accordance with their brief. Any warning, though mild, would discourage them or be misunderstood, let them get on with the job.

(DAVID NORGROVE)
24 June 1986