



10 DOWNING STREET

10 June 1986

From the Private Secretary

Dear Elira

NIMROD

The Prime Minister had a discussion this evening with someone closely involved in the Nimrod project in the course of which a number of points were made which are hard to evaluate from here. In particular:

- (i) It was suggested that GEC had made major strides in recent weeks towards overcoming the problems with the radar and the computers for Nimrod;
- (ii) that there was no doubt now that GEC could complete the contract in a reasonable timescale and at a fixed price.
- (iii) that the MOD/RAF were very reluctant to get acquainted with the work done by GEC: indeed seemed determined that the contract should <u>not</u> now go to GEC; and, as part of this,
- (iv) had recently extended the deadline for revised tenders to accommodate Grumann who had an untried proposal to instal their equipment in the Nimrod aircraft.

It would be very helpful to have, on a strictly personal basis, your views on these points. I would not, however, want this letter to be shown to anyone else in MOD or the conversation to which it refers revealed. At the same time it might be helpful to have an overt account of progress with the Nimrod project and with possible alternatives to it for the Prime Minister's information.

(CHARLES POWELL)

Sir Clive Whitmore, K.C.B., C.V.O.

SECRET AND STRICTLY PERSONAL

BF.