

SECRET

COMMERCIAL IN CONFIDENCE

W0341

PRIME MINISTER

10 December 1986

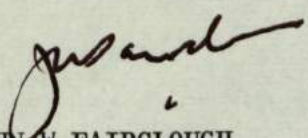
AIRBORNE EARLY WARNING AIRCRAFT: OD(86) 20.

I have some comments to offer on the technology aspects of the choice between Nimrod and E-3A AWACS. These tend to support the Secretary of State for Defence's recommendation in favour of E-3A. I recognise, however, that other factors will also be important in the final decision.

2. On the fitness of the aircraft for the intended purpose, there is no doubt that at present E-3A can do the job and Nimrod cannot, though there may be room for argument about the precise size of the shortfall. GEC Avionics (G Av) claim that the radar, though not the full system performance, can be brought up to the required standard by 1989. I agree with the Secretary of State for Defence's view that this involves high technical risks, and nothing in G Av's performance so far inspires confidence that these risks will be overcome. It is also true that E-3A has much greater growth potential than Nimrod, which is inherently limited by the smaller airframe and antennae.

3. Cancellation of Nimrod would undoubtedly involve the loss to the UK of some very interesting technology, only partly offset by the technology content of Boeing's offset package. But it is technology that appears to have little commercial future for the UK; given its well-publicised history, it is difficult to envisage the Nimrod AEW being a great commercial success. In these circumstances, I do not believe that this project should continue to tie down a large number of people with scarce skills which I consider could be more profitably used elsewhere in the economy.

4. I am copying this minute to Sir Robert Armstrong.


JOHN W FAIRCLOUGH
Chief Scientific Adviser