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1. MR POWELL

2. PRIME MINISTER

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NIMROD-AWACS PRESENTATION

This note in advance of a collective discussion of a tricky problem may be useful.

Background

Each of the three possible options (on the assumption that a mixture of NIMROD/AWACS is not on) has presentational problems. But the choice of NIMROD only presents serious problems if a. it doesn't work; and/or b. it is chosen in the face of united Service opposition.

Serious problems arise over the choice of AWACS or a decision either to buy nothing (which seems remote) or to postpone a decision (which again seems unlikely).

Postponing a Decision

Any postponement of a decision would have a presentational penalty. It could be seen as evidence that the Government:

- was preparing for an earlier rather than later election
- was prepared to sacrifice our conventional defence interests to political advantage and to be ready to ditch British manufacturing industry after winning an election - otherwise it would have bought NIMROD now
- was wobbling in the face of an election; behaving uncharacteristically; and running out of steam.

In short, I believe that we have reached the stage when people expect a clean decision to be taken one way or the other.

Buying NIMROD

The atmosphere in which a decision has to be taken is not particularly anti-American, because the time (years) and resources (flbn) which GEC has had to develop the system are thought to have been extremely generous. However that point needs to be kept in front of the public until a decision is taken.

Thus, if the Government decides to buy NIMROD it will need to show:

- it works satisfactorily and is not dependent on more 1. research;
- it is accepted that it satisfies Service requirements, 2. whatever the argument there may be in the Armed Forces;
- the choice has not been made solely for political 3. reasons;
- there are substantial economic, industrial and 4. technological benefits at least as good as the offers made by Boeing;
- the export potential is tangible ie GEC are 5. demonstrating faith in their product by going after orders abroad.

In short, if NIMROD is bought the Government's main task will be to persuade people it has done the right thing.

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Buying AWACS

If the Government decides to buy AWACS it will need to demonstrate that it has not done the wrong thing by:

- 1. the taxpayer;
- 2. British technology;
- British industry in general and GEC in particular;
- 4. British jobs;
- 5. taking a decision now ie why there is no reason to suppose that NIMROD would be a better proposition if GEC were given yet more time and money.

It is conceivable, in view of Boeing's offers in terms of jobs, that the most difficult presentational issue will be the impact of the choice of AWACS on British technology. Superficially, the less satisfactory NIMROD can be shown to be technically, the easier it is for the Government to justify its choice. But this aspect of presentation will need the closest possible care because of the risk of damning British technology - and British trade interests - across the world.

The Government will also need to be aware of anti-American sentiment and whether this latent force in British society can be managed in view of:

- its power, as demonstrated earlier this year when it was stirred up
- Reagan's political difficulties and the Prime
 Minister's close identification with him

Britain's increasing (and some would say already dangerous) dependence on the USA - Trident etc and the possible adoption of American technology at Sizewell

In my judgement public opinion - or that bit of it which is aware of the impending decision - feels the time has come for settling the issue and is half expecting AWACS to be chosen. But that does not mean that AWACS is the easiest option presentationally - it is probably the most difficult. But doing nothing or choosing NIMROD would require very careful presentation.

Action Required

Two issues arise:

- can anything be done in the run up to a decision to help presentation?
- what needs to be done when a decision has been taken?

This and a number of tricky policy decisions which are looming require exceptional care over their presentation, and there is a case for a small team, perhaps including me, to work on it, getting together not merely a line of argument but also a presentational programme once the decision is announced.

Problems properly anticipated are often problems forestalled or quickly overcome. In other words, good presentation is 90% anticipation and 10% execution.

I am not impressed with the idea of the entire OD Committee being flown demonstration flights, but there might be some merit in a sub-committee reporting on flights, provided they came up with the right answer to which they all felt able to subscribe. I do not think the Prime Minister should be involved; this would set an undesirable precedent for difficult technical decisions.

I do not see any practical way of the Government's demonstrating rival systems to the media <u>in advance</u> of a decision.

Any decision to be announced needs to be given in a statement to the House with the minimum of delay - ie the same day.

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BERNARD INGHAM 10 December 1986