

PRIME MINISTER

AEW

You may like to see the note which I have done regarding the main points made by Lord Weinstock at his meeting with you and the Defence Secretary. You agreed to bring these points to the attention of Cabinet colleagues before a decision was taken. You may, therefore, wish to circulate them at OD tomorrow so that it can be said afterwards that Ministers were fully aware of GEC's point of view.

Since I have written the note you have received the attached letter and papers from Lord Weinstock. You may wish to have these circulated as well as my note (or instead of it).

CDD.

C.D. POWELL
16 December 1986

I think Donald's
letter with enclosures
would be best. Then
there is no doubt that
his views are before
Cabinet (although
D.W.A.C. are not).

PRIME MINISTER

OD: AIRBORNE EARLY WARNING AIRCRAFT

There will be a full attendance. Both CDS and Chief of the Air Staff will be present. Sir Colin Fielding is available if you want (probably a good idea to have him there).

I don't think that you have yet read the two supplementary papers produced by MOD.

The Cabinet Office brief suggests a large number of questions. You will want to remind your colleagues that the main points are:

(i) we must be certain that the RAF have a system which will work;

(ii) all things being equal, we should give preference to the British system;

(iii) but the Defence Secretary's paper makes clear that there are grave doubts whether GEC can produce an adequate system in an acceptable timescale;

(iv) if the judgement of colleagues is that these doubts - which Sir Colin Fielding can amplify - are justified, then the decision must be in favour of AWACs;

(v) presentation will be of the utmost importance. We shall need to explain very fully the reasons, including the technical arguments, which led up to the Government's decision in favour of AWACs. All Ministers should be equipped with the arguments, and answers to questions and use them;

(vi) the proposal for an independent inquiry is a red herring. The customer must decide what he needs and the extent to which the various bids can meet it. The Government cannot abdicate its responsibility.

C.D.P

(C.D. POWELL)

16 December 1986

DCABPI