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From the Private Secretary

25 October 1985

MSE

I had a brief word with Mr. McFarlane, the President's National Security Adviser, about MSE last night. McFarlane said that a review of the comparative costs of the two bids had been put out by Secretary Weinberger to private audit. The result had been that the Plessey/Rockwell bid was still substantially more expensive. (I am not sure how up to date this information is.) The papers were now back on Secretary Weinberger's desk and he thought a decision, of one sort or another, would be inevitable in the next ten days. He could see no way in which this decision could be in our favour. The best we could hope for was that the Pentagon would decide to call for a further and final round of bids on the basis of more precisely stated requirements. I made the obvious point that this would be much better than awarding the contract to the French. I hoped that the White House would put its weight behind such a solution if there was really no better alternative. McFarlane seemed to think that this was the more likely result.

You will have noted that the matter was also raised by the Prime Minister with the President with no clear outcome.

I am copying this letter to Len Appleyard (Foreign and Commonwealth Office), Rachel Lomax (Treasury) and Michael Stark (Cabinet Office).

A large, stylized handwritten signature in black ink, likely belonging to Charles Powell.

(Charles Powell)

Richard Mottram, Esq.,
Ministry of Defence.

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