



Foreign and Commonwealth Office

London SW1A 2AH

27 February, 1984

Dear John,

MS

We understand that Mr Tebbit proposes to make a statement in Parliament on 1 March about the negotiations with British Aerospace on the amount and terms of launch aid for the A 320.

The French and Germans have of course been watching these discussions closely, as the A320 project is important for them. We want to make the most of our readiness to participate, and think that it would be helpful if the Prime Minister could tell Chancellor Kohl personally. The Chancellor's visit tomorrow would be a good opportunity, and I enclose a speaking note. The Department of Trade and Industry agrees.

We intend further to recommend soon that the Prime Minister write to President Mitterrand. It might also be appropriate for the Prime Minister to write briefly to Chancellor Kohl after the Chequers meeting confirming our decision.

You will wish to note that if by any chance Ministers or the BAe board raise tomorrow a last minute objection to the DTI/BAe deal the DTI would prefer the Prime Minister not to raise the subject and simply to say if asked that we are still considering the question of launch aid urgently. The DTI will warn you if this is necessary.

The Foreign Secretary has not yet seen this letter: I shall be showing him a copy overnight.

/also

I am/sending a copy of this letter to Callum McCarthy.

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 P F Ricketts
 (P F Ricketts)
 Private Secretary

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