



Prime Minister

CONFIDENTIAL

MR 27/10

MS

PRIME MINISTER

ANGLO-FRENCH SUMMIT: AIRBUS A320

At your briefing meeting last night I promised to enquire further into the thoroughness of Airbus Industrie's sales effort for the A320 with British Airways and let you have a report.

2 British Airways confirm that no senior officials of Airbus Industrie have visited either Lord King or Colin Marshall, their Chief Executive, in London. British Airways find this distinctly surprising, and in marked contrast to the practice of McDonnell Douglas and Boeing, both of whom have sent high-powered delegations. There have however been occasional contacts at sales representatives level, and Colin Marshall's predecessor, Roy Watts, visited Toulouse for talks with Airbus at their invitation in February. British Airways have also been approached by British Aerospace, on the Airbus consortium's behalf.

3 I would recommend against mentioning any of this to President Mitterand. To do so might sow dissension with the Airbus consortium and between themselves and British Airways. I suspect, too, that Airbus Industrie's rather casual attitude to British Airways may reflect a mistaken view that British Airways' purchasing policy is ultimately determined by the Government, and that an intensive sales effort with the airline itself is therefore not necessary. They cannot have been so casual in their approach to British Caledonian, and we have no reason to suppose that their marketing efforts with other airlines have been other than professional and intensive. Certainly they appreciate very clearly that the evidence they can put forward of the sales prospects for the A320 will be a major factor in any consideration here of possible launch aid.

4 I am sending copies of this minute to the Foreign Secretary, the Secretary of State for Defence, the Secretary of State for Transport and to Sir Robert Armstrong.

P.C.

PAUL CHANNON  
20th October 1983

JUL 1983

