



file ec DT1215- JOK  
cc TTA

10 DOWNING STREET

CF

THE PRIME MINISTER

6 February 1984

Mr. M. Jones,

When we met on 24 January to discuss issues relating to the Broughton factory of British Aerospace, I promised to write to you about the points we discussed and those raised a few days earlier when, together with Mr. Sid Phillips, Convenor of the Shop Stewards at British Aerospace's Chester Division, you presented a petition urging that launch aid be provided for the Airbus A320. *in Comms Sec.*

The Government fully recognise the importance of the A320 for the British aerospace industry. I very much hope that the A320 can be a success but it has to be acknowledged as indeed British Aerospace do, that the A320, like all civil aircraft projects carries certain risks. Launch aid could involve substantial public expenditure and we therefore wish to be satisfied that the A320 can yield a financial return commensurate with the degree of risk involved. At a time when we are faced with a wide range of competing claims from other sectors for the limited funds available, it is essential that we obtain the best possible value for money in the use of public funds.

Evaluation of the British Aerospace application for launch aid is now well advanced and we expect to reach a decision shortly.

The allocation of work on the A320 among sites would be a matter for British Aerospace to determine in order to achieve the best possible return from the project.

/ More

Bol

More generally the Government is of course making efforts to attract other investment to the Deeside area which is a Special Development Area. You will know of recent successes including investments in Deeside by Caravell, the Co-operative Wholesale Society, Warwick International, Kimberly Clark, Optical Fibres, Shotton Paper Mills and Angus Chemical (UK) Ltd. Last year the Secretary of State for Wales designated the Delyn Enterprise Zone which now has over 60 firms within its area. The recent decision by Caravell to locate in the Zone underlines the attraction of the Zone and the job potential it could provide for the Deeside area.

Yours sincerely  
Raymond Shafter

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GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switsfwrdd)  
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FROM THE PRIVATE SECRETARY  
TO THE SECRETARY OF STATE  
FOR WALES

31 January 1984

*Dear Tim,*

Thank you for your note of 17 January enclosing a copy of your letter to Steve Nicklen and a page of the petition about the A320 Airbus project handed in by Mr Barry Jones MP and Mr Sid Phillips, Convenor of the Shop Stewards at British Aerospace, Chester Division.

In your letter of 24 January to David Saunders you asked whether the Prime Minister ought to wait until a decision has been made on the A320 before replying to Mr Jones. The meeting with Mr Jones on 24 January did cover points raised in the petition. I understand that DTI's advice is that if you can reply before launch aid for the A320 is considered then, because Mr Sid Phillips was not at the meeting on 24 January, it would be politic to do so, so that Mr Phillips is aware of the current situation. My Secretary of State would support that line.

DTI will contribute to the reply on the question related to the application for launch aid by British Aerospace. You will appreciate the importance attached to the Government's decision particularly in relation to future employment at Broughton but no doubt the Prime Minister will not wish to advance Broughton's case at the expense of other British Aerospace plants in the event of the project proceeding.

Part of the Prime Minister's reply could refer to the Deeside Area. I would suggest the following paragraph

*More generally*

The Government is of course making efforts to attract other investment to the Deeside area which is a Special Development Area. You will know of recent successes including investments in Deeside by Caravell, the Co-operative Wholesale Society, Warwick International, Kimberly Clark, Optical Fibres, Shotton Paper Mills and Angus Chemical (UK) Ltd. Last year the Secretary of State for Wales designated the Delyn Enterprise Zone which now has over 60 firms within its area. The recent decision by Caravell to locate in the Zone underlines the attraction of the Zone and the job potential it could provide for the Deeside area."

Tim Flesher Esq  
Private Secretary  
10 Downing Street



This will not mitigate directly the problems faced by British Aerospace at Broughton (Chester) and as a result of the unpopularity of Aber Chemicals of Flint in the area the investments by Warwick International and Angus Chemical (UK) Ltd, both of which manufacture chemicals, will not find favour in all quarters. There was a recent explosion at Aber Chemicals which caused some apprehension locally about its activities. The explosion is currently being investigated by the Health and Safety Executive.

/ I am copying this letter to Steve Nicklen.

*Yours usw*

*Judy Roberts*

MISS J H ROBERTS

RESTRICTED



*Barry Jones MP PPS.*

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1-19 VICTORIA STREET  
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From the Parliamentary Under Secretary  
of State for Industry

JOHN BUTCHER MP

Timothy Flesher Esq  
Private Secretary to the  
Prime Minister  
No. 10 Downing Street  
LONDON SW1

*31* January 1984

*There is a wish for a cabinet on*

*Dear Tim*

Your letter of 24 January reporting the Prime Minister's discussion with Barry Jones MP about BAe's Chester site asks whether the Prime Minister should send an interim reply to Mr Jones noting the points discussed or wait until a decision on A320 launch aid had been reached before responding.

In addition, you wrote on 16 January to Steve Nicklen about the petition from the BAe Chester workforce which Mr Jones and Mr Sid Phillips, Convenor of Shop Stewards, had presented earlier that day. You agreed that a reply to this should be sent after the meeting with Mr Jones on 24 January.

The question of A320 launch aid is to be considered by E(A) on 2 February, but we cannot yet be certain when a decision will be reached. The points raised in the petition and the additional matters put to you when it was presented were covered by the Prime Minister when she met Mr Jones. Representatives of BAe's Chester workforce were not present on that occasion, however, and officials therefore consider that it would be useful and advisable for a brief interim reply on the lines of the attached draft to be sent before 2 February.

*Yours sincerely*

*David*

DAVID SAUNDERS  
Private Secretary

JB5ANF



DRAFT LETTER FROM THE PRIME MINISTER TO BARRY JONES MP

When we met on 24 January to discuss issues relating to the Broughton factory of British Aerospace, I promised to write to you about the points we discussed and those raised a few days earlier when, together with Mr Sid Phillips, Convenor of the Shop Stewards at British Aerospace's Chester Division, you presented a petition urging that launch aid be provided for the Airbus A320.

The Government fully recognise the importance of the A320 for the British aerospace industry. I very much hope that the A320 can be a success but it has to be acknowledged as indeed British Aerospace do, that the A320, like all civil aircraft projects carries certain risks. Launch aid could involve substantial public expenditure and we therefore wish to be satisfied that the A320 can yield a financial return commensurate with the degree of risk involved. At a time when we are faced with a wide range of competing claims from other sectors for the limited funds available, it is essential that we obtain the best possible value for money in the use of public funds.



Evaluation of the British Aerospace application for launch aid is now well advanced and we expect to reach a decision shortly.

The allocation of work on the A320 among sites would be a matter for British Aerospace to determine in order to achieve the best possible return from the project.

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Personal



HOUSE OF COMMONS  
LONDON SW1A 0AA

7 Bay Lane N.Y.

Tuesday, 24.1.84

Dear Michael, (ALISON)

I see the P.M. @ 4.30pm > AIRBUS A320.

I shall not be coming in any representative manner. This is the basis of my approach:

- (i) We have large scale unemployment not withstanding some successes in job creation.
- (ii) But for every new job created with great effort we lose others. eg. W.W.A. produced a plan to close the local water office with 200 job losses: the C&B have closed on Povey Station with 300+ job losses: Aeromarine propose two redundancies.
- (iii) But the Aeromarine employ 4300 today. If the A320 does not take off in the U.K. - many of the 4300 (-400) will lose their jobs.

Yours sincerely,

Benny Jones.

Re. Hon. M. Allison M.P. PMS/P.M.

387i  
BARRY JONES MP

VK

spk Peter Ewing

MR. NEIL  
MS. ROBERTS  
WELSH OFFICE

I attach self-explanatory  
correspondence between this  
office and Department of  
Trade and Industry.

I should be grateful if you  
could provide any contribution  
you have by Monday 30 January.

TIM FLESHER

17 January 1984



10 DOWNING STREET

From the Private Secretary

16 January, 1984

Barry Jones, MP, called at No.10 today together with Mr. Sid Phillips, Convenor of the Shop Stewards at British Aerospace Chester Division, to present a petition about launch aid for the A320 airbus. I attach a copy of a sample page of the petition. I should be grateful if you could provide a draft reply for the Prime Minister to send to Mr. Jones covering the general questions raised by the petition and in addition the following additional points which Mr. Jones and Mr. Phillips made to me orally:-

- (i) that if launch aid for the A320 is provided the Government should seek an assurance from British Aerospace that at least part of it will be invested at Chester Division.
- (ii) the timing of a decision on launch aid.

I should be grateful if you could let me have a draft reply by Monday, 30 January.

(Timothy Flesher)

S. Nicklen, Esq.,  
Department of Trade and Industry

FILE  
Barry Jones 30/1/84  
MP. (W)  
cc Ruth Pope  
approx. 930  
signs

(W)



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10 DOWNING STREET

*From the Private Secretary*

16 January, 1984

This is to acknowledge that we have received the petition which you and Mr. Sid Phillips handed in at No.10 today. As I said when receiving the petition, I shall ensure that the points made in the petition and by you and Mr. Phillips orally will be brought to the Prime Minister's attention. Mrs. Thatcher will be replying to you as soon as possible.

(Timothy Flesher)

B. Jones, Esq., M.P.