

SUBJECT

CC OPS

MASTER



JEK
CR

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

24 December 1986

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T249A/86

TAP and Airbus A310

I have today telephoned the following message to the Duty Officer at the Embassy in Lisbon:

To the Prime Minister of Portugal:
"I understand that TAP is about to announce a decision for new aircraft and that the Airbus A310 is a favoured contender. It would be a particular pleasure to me to see Portugal confirm its support for European collaborative ventures by making this selection. With best wishes for Christmas and the New Year. Margaret Thatcher"

I should be grateful if you could send a confirmatory telegram in due course.

I am copying this letter to Mike Gilbertson (Department of Trade and Industry).

(ANDY BEARPARK)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

DSG



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

24 December 1986

Thank you for your letter of 23 December enclosing a draft message from the Prime Minister to the Portuguese Prime Minister about the purchase of Airbus A310 by TAP. The Prime Minister has agreed to send the message and we have telegraphed it to our Embassy in Lisbon this morning.

Charles Powell

Sir Raymond Lygo, KCB.



10 DOWNING STREET

Andy. phoned to Duty Officer (Hond /
Cherry)

1010

24/12

103

I have put
Admiral Lygo's letter
into the PM.

If she approves
the message could you:

(a) Telephone it to
Embassy Lisbon

(b) Tell FCO/DTI you
have done so; e

(c) despatch the
attached letter to Lygo.

Regards. C.

BRITISH AEROSPACE

BRITISH AEROSPACE
PUBLIC LIMITED COMPANY
11 STRAND
LONDON WC2N 5JT
Telephone: 01-930 1020
Facsimile: 01-839 4774
Telex: 919221

From: Sir Raymond Lygo, K.C.B.

Direct Line: 01-389 3925

Mr C D Powell,
Private Secretary to the Prime Minister,
10 Downing Street,
London SW1.

Ref: JW/114

Prime Minister
Agree to send the
attached short message
to the Portuguese Prime
Minister? It is strongly
supported by FCO & DTI
Ministers.
C.D.P. 23/12.

23 December 1986

Yes
Dear Charles,

We have received a request from the Administrateur Gerant of Airbus Industrie for the Prime Minister to drop a note to the Portuguese Prime Minister on the subject of an imminent decision by TAP the Portuguese National Airline to opt for 3 Airbus A310s.

We understand that the decision has been made in principle to opt for the Airbus A310 in preference to the Boeing 767 in order to demonstrate Portuguese support for European ventures as a newly joined member of the community. We regard this as an important sale for Airbus at the close of the 1986 year. It would appear that at the last moment the Chairman of the airline, who was about to announce a selection, has been asked to defer a decision by intervention of the Prime Minister. We can only assume that there is pressure coming from the United States to vote for Boeing.

The partners of Airbus Industrie have therefore been asked to produce messages of support from their governments. I understand M. Chirac has been approached to send a message of support as well as Herr Bangemann from the Federal Republic. The choice of senders is I understand dictated by the political leanings of the Portuguese Prime Minister who I understand is of the right wing. A suggested draft message is attached.

cc. Mr J M Bowder
DTI

Lygo

May Christmas at Happy New Year

DRAFT

The Prime Minister
Portugal

I understand that TAP is about to announce a decision for new aircraft and that the Airbus A310 is a favoured contender. It would be a particular pleasure to me to see Portugal confirm its support for European collaborative ventures by making this selection.

With best wishes for Christmas and
the New Year.

David
mt

McM

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

23 December 1986

Dear Charles,

Airbus Sales to Portugal

I understand that the DTI will shortly be submitting to you a recommendation, along with a draft, that the Prime Minister should send a message before Christmas to the Portuguese Prime Minister, in support of the proposed sale of three Airbus A310 aircraft to the Portuguese airline TAP.

We support this proposal. TAP have been negotiating for some time for a replacement aircraft for their ageing Boeing 707s. The rival candidates are the A310-300 made by Airbus Industrie (AI), in which British Aerospace (BAe) have a 20% share, and the Boeing 767. AI are concerned that this might provide Boeing and/or the US Government the chance to make a last-minute intervention on behalf of the B-767, and BAe wish therefore to suggest that the Prime Minister send a message to the Portuguese Government, if possible before the Christmas break, in favour of the A-310. I understand that Sir R Lygo has now written to the Prime Minister in this connection.

We have consulted the Ambassador in Lisbon, as well as posts in the Airbus partner countries, to find out if similar approaches have been made to those Governments. Lisbon favour a message at Prime Ministerial level to try to clinch the order. Bonn have reported that the German State Secretary at the Economic Ministry (in his Minister's absence) will be sending a message to his Portuguese counterpart, probably after Christmas. Paris report that the Quai d'Orsay are recommending that M Chirac telephone the Portuguese Prime Minister before Christmas.

In our case the Minister for Trade has already lobbied for Airbus during his visit to Portugal in October/November. The only worthwhile addition would be an intervention at Prime Ministerial level.

I understand that if a message can be agreed and dispatched tomorrow the Embassy in Lisbon expect to be able to take action before Christmas.

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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From the Minister of State
for Industry and Information Technology

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215

GTN 215) 5147

(Switchboard) 01-215 7877

GEOFFREY PATTIE MP

Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

CDP
23/12

23rd

December 1986

Dea Charles.

AIRBUS A310s FOR PORTUGAL

WITH CDP

Mr Pattie has seen a copy of the letter sent to you today by Sir Raymond Lygo of BAe recommending the Prime Minister to send a message to the Portuguese Prime Minister on this subject.

My Minister has asked me to say that he supports Sir Raymond's request, and that he understands that similar requests from Airbus Industrie are likely to be acceded to by M Chirac in the case of France and Herr Bangemann, the Economics Minister, in the case of Germany. I understand that the Foreign Office have consulted the Embassy in Lisbon, and that the Ambassador there has also advised in favour of a message being sent.

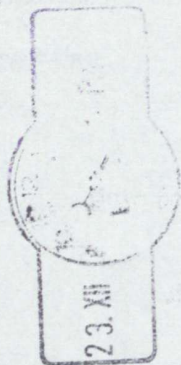
Mr Pattie thinks that the draft message attached to Sir Raymond's letter is on the right lines. In view of the urgency, it may be necessary, if the Prime Minister agrees with the recommendation, for you to telephone our Ambassador in Lisbon direct to ask him to convey the message tomorrow, 24 December, if possible.

Yours sincerely,

T P ABRAHAM
PRIVATE SECRETARY

Tim Abraham

DE7/DE7ABF



C. GILBERT FAR

CHARLES PO

PL. VO

AIRBUS A310 FOR PORTUGAL

CASE OF TANGOR NG

CHARLES PO

HAS ALSO

PL. PO