

PRIME MINISTER

Francois Bujon, Jacques Chirac's Foreign Policy Adviser, telephoned this afternoon to express M. Chirac's dismay at the rumours that the Board of Directors of British Airways were about to decide in favour of the purchase of Boeing 767s and MD11s instead of Airbus. He was concerned that this would have serious consequences for the Airbus programme, and in view of your "close friendship" with Lord King he hoped that you would be putting pressure on BA to reverse, or at least delay, their decision.

This does not constitute a Prime Ministerial message at the moment which requires a response from you. But I think that I should phone M. Bujon back tomorrow. I would propose to confirm that I had made you aware of M. Chirac's concerns, and then proceed with the standard line which the Department of Transport have given me which is simply that BA is now in the private sector and must make commercial decisions on the basis of its own judgement. To the extent that I think it will not cause offence, I will also draw on the fact that it would not really be in Airbus' interest to win uncompetetive contracts, and possibly even that the British Airways situation is more akin to UTA (which fly 747s) than Air France.

Content?

*Yes - provided it is done
very factually.*

PNB

MT

ANDY BEARPARK

12 August 1987

VC3ASC

7.35 done

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Content?

- Yes - provided it is done
very tactfully

PNB

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ANDY BEARPARK

12 August 1987