

PRIME MINISTER

SUPPORT FOR DOWTY FOR AIRBUS BUSINESS

Mr. Clarke's minute of 8 June (Flag A) presses the case for the offer of Government launch aid-type support for ^{Dowty's} ~~their~~ bid to supply the main landing gear for the Airbus A330 and 340. He requests an early discussion of this issue following his inability to persuade the Chief Secretary to accept his proposal.

The Chief Secretary's office have now circulated (Flag B) his earlier letter of opposition to Mr. Clarke. George Guise's note (Flag C) reinforces the opposition case.

Mr. Clarke's arguments for giving this support seem weak in any event, and the more so given the more general doubts over the future of Airbus. If you agree with the line by the Chief Secretary and George Guise, there seems little point in wasting precious time with a meeting.

Content that I should minute out recording your firm opposition to Mr. Clarke's proposal and rejecting the call for a meeting?

Recd.

*Complain to the Commission
about French subsidies*

Paul Gray

9 June 1988