



cc BT

PERSONAL AND CONFIDENTIAL

JH 770

PRIME MINISTER

DISCUSSION IN E(A)

May I ask for your help in the handling of the discussion on the two aerospace projects in E(A) tomorrow.

2 My first concern is that the discussion on the A320 should not squeeze out a decision on the V2500. The decision on Rolls-Royce co-operation with GE is urgent, and the prospects for what all agree will be beneficial to Rolls Royce will be jeopardised if the news of their prospective venture leaks. So much paper has now circulated that this must be a real risk, and I therefore believe it essential that we should do all possible to resolve this question tomorrow.

3 My other concern is also on confidentiality. If there is an agreement to support the A320 within a figure which will require subsequent negotiations with BAe, it is essential, if our negotiating position in relation to BAe is to be preserved, that there should be no leak that "the Government has agreed in principle to support the A320". I think this would be very damaging indeed.



4 I shall be making both these points in the discussion,
but I should be very grateful for your support in
underlining them.

NT

N T

1 February 1984

Department of Trade and Industry