

Mrs THATCHER

deso



From the
Parliamentary Under Secretary of State

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24 February 1983

Dear Norman,

THE FUTURE OF CONCORDE

Thank you for your letter of 15 February. ^{-TPM}

I have also seen Malcolm Rifkind's and Leon Brittan's letters of 21 February.

I agree with the draft letter you propose that I should send to Sir John King, and I have now written to him, incorporating the amendment proposed by Malcolm Rifkind. I enclose a copy of the letter I have sent.

I agree that officials should now hold exploratory discussions with BA as you propose, with the aim of getting as close as possible to agreement on a package of proposals about the terms of any transfer to BA, which could then be put to Ministers collectively to consider. In putting such proposals to Ministers I hope officials will address themselves to the practical implications of Malcolm Rifkind's and Leon Brittan's suggestions for the responsibilities which BA should be asked to take on (in relation to Air France, redundancies and support costs). I think we should inform ourselves about these implications before we take a firm view on the unacceptability of any particular course.

Finally I agree with your proposed Parliamentary Answer, subject to one point. This is that I think it might be helpful in conveying a more positive approach to the future of Concorde if you were to add a new first sentence to your answer (on the lines mentioned by Malcolm Rifkind) drawing attention to the fact that, as you reported to the House in December, BA have indicated that, subject to agreement being reached on certain points, they



could take over from the Government the future costs of supporting Concorde in-service.

I am copying this letter to the recipients of yours.

Yours ever,

A handwritten signature in cursive script, appearing to read 'Iain Sproat', written over a vertical line that extends from the 'Yours ever,' text down to the printed name below.

IAIN SPROAT



TS/1/072

DRAFT ARRANGED WRITTEN PQ ON CONCORDE

To ask the Secretary of State for Industry, whether he will make a statement about the funding of in-service support for Concorde in the financial year 1983-84.

Mr Lamont

As I announced on 17 December 1982 British Airways has concluded that the airline can take over the future costs of supporting Concorde in-service, subject to agreement on a number of points. To allow for the completion of discussion on these points, for the negotiation of contracts between the airline and the manufacturers and further discussion with the French Government, the Government has decided to continue to fund in-service support for Concorde beyond 31 March 1983. The extent to which British Airways would contribute to the cost of in-service support in 1983-84 will be discussed with the airline.

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