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W©rld news
UK-Romania accord brightens
One-Eleven prospects
PRODUCTION of the BAC One-Eleven
could continue throughout the 1980s
if the protocol signed by British Aero-
space and the Romanian Ministry of
Foreign Trade on May 28 matures
into a final agreement. Flight under-stands that the protocol covers co-production of up to 100 One-Eleven 475s, but the British Aircraft Corpora-tion will only say that the deal is "valued at some hundreds of millions of dollars." The Romanian industry hopes for substantial orders from the Civil Aviation Administration of China and a number of Eastern Euro-pean airlines.
The aircraft would be built for the Romanian domestic market and for export. Romanian flag carrier Tarom and domestic airline LAR, already operate One-Elevens, and four One-Eleven 500s for Tarom are being delivered. Tarom has 11 Ilyushin IM8s and 12 Antonov An-24s, and may plan to replace these with One-Elevens. It is also possible that some aircraft will be delivered as freighters to the Romanian Air Force.

The protocol leaves One-Eleven co-production only two steps away from the final contract stage. BAC and Grupal Aeronautic Bucharest — the Romanian contractor which will pre-sumably co-ordinate the work of the various nationally owned airframe plants—will now work towards a "framework agreement," putting into contractual form the principles of the protocol. This in turn would lead to a definitive contract. This process is normal in Romanian industrial deals with the West and was followed when Tarom bought One-Eleven 500s in 1975.

Romania has signed successively more detailed protocols with BAC and VFW-Fokker, the latter concerning

manufacture of the VFW 614. Follow-ing the latest agreement with BAC, VFW-Fokker is believed to have been told that Romania's interest in the 614 is still alive, but that production of the smaller aircraft will have to wait until the One-Eleven line is fully established.

Romania already builds some One-Eleven components, including the tail-plane and the nosewheel box, as off-sets for the Tarom sale. It is envisaged that Romanian participation will extend gradually to more complex components as production continues in Britain. Eventually a production line will be set up and the aircraft will be entirely Romanian - built. Romania cannot move directly to pro-duction of One-Elevens without ac-quiring some new technology and a

large amount of trained manpower. BAC believes.

BAC will benefit both directly and indirectly if the Romanian agreement matures. The prospects for a One-Eleven sale in Japan can only improve if continued production and support are assured by a firm order from Romania.
If the 89-seat One-Eleven is built in Romania it could be a direct com-petitor for the Soviet Union's 100-seater Yakovlev Yak42 trijet. So far only Jugoslavia's JAT and Inex-Adria have been able to buy Western air-liners; LOT Polish Airlines unsuccess-fully tried to buy US twinjets in 1975. Comecon, the Eastern European "Common Market," may however remain opposed to Western designs, whatever their country of manufac-
ture. Romania's IRMA, for example,
has built Fairey Britten - Norman
Islanders under licence, but has sold them all in the Western bloc through the parent company.

Lockheed admits 'questionable' payments but conceals names
LOCKHEED'S report on the "ques-
tionable" payments made between
1970 and 1975 reveals that up to $38
million of the $165 million which the
company paid in commissions to 150
consultants could have been suspect. It names Lockheed executives, includ-ing former chairman Dan Haughton and vice-chairman Carl Kotchian, as the men primarily responsible for the payments, and says that the payments go back to the late 1950s, when the company was involved in F-104 sales efforts worldwide under Haughton's

Below left, the production Foxjet has oval windows, tip tanks and a larger cabin (see story). Below right, a possible follow-on would have two buried JTI5D turbofans

predecessor, Robert Gross. But the report does not attempt to identify the recipients of the payments, saying that to do so woud fatally harm future sales prospects.
The report was prepared by a team of seven independent outside direc-tors, who defended their decision not to publish names. Some of the revela-tions, they said, would be based on conflicting or uncorroborated evi-dence, and other payments could not be traced.

The report identifies a number of methods for payments. They include "consultancy" payments passed on by the consultants to airline, military and government officials, payments to secret bank accounts, and "shell" companies.