

of Aerospaciale and Deutsche Airbus to 37.9% and leaving CASA's interest at 4.2%. Also, in the spring of 1979, Belairbus joined as an associate partner to produce slats and tracks for the A310 wing and a major wing/body fitting. The A310 would be a shortened derivative of the A300B with the same fuselage diameter and a completely redesigned wing. The A310 would also incorporate several innovations including the two-man crew cockpit (eliminating need for the flight engineer), fuel storage in the horizontal stabilizer (extending range), and wing-tip fences (improving fuel economy and safety). The A310 enjoyed increasing commercial success, particularly in the Middle East largely due to controversial US foreign policy in the region.

AI announced the formal launch of the A320 in March 1984 in an effort to respond to the huge replacement market for older generation DC-9, 727, and 737 models. The decision to move forward with the A320 was delayed considerably largely due to the lack of a suitable powerplant for the single aisle market segment.

The formation of International Aero Engines (a joint venture between Pratt & Whitney, Rolls Royce, Fiat, MTU, and a consortium of three Japanese firms) in May 1982 provided the required stimulus to CPMI (the aeroengine alliance between GE and Snecma favoured by the French partner) to develop an enhanced version of the CPMI 56 engine. This, coupled with firm orders from Air France and British Caledonian propelled the backing for the program's development. The sales success of the A320 surpassed all expectations by introducing a product whose technical and operational features such as fly by wire controls and other revolutionary characteristics distinguished it from existing available aircraft. Later derivatives of the A320 were the A321 and more recently, the A319.

Introducing A330 and A340

In June 1987, AI announced the simultaneous launch of the A330 and A340 programs. Basing the two new aircraft of different payload and range on the same fuselage, wing, cockpit, and A320 avionics and flight control technology, AI would extend its product line while incurring minimal risk. The introduction of the A330/A340 proved to be the culmination of AI's strategy to offer potential customers a "family" of aircraft, however, it also served to intensify a growing political conflict with the US over unfair competition associated with the direct government support offered to AI consortium partners.

Indeed the US government commissioned "Gelman Research Associates" to study the extent and impact of European government subsidies to Airbus programs and the Europeans countered by commissioning "Arnold and Porter" to evaluate the magnitude of US indirect support for its aerospace industry that, leading to the July 1992 bilateral agreement which "attempts" to restrict the level of direct and indirect support offered to large civil aircraft manufacturers.