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DESKBY 110830Z  
FM WASHINGTON 090155Z MARCH 85  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 848 OF 8 MARCH  
LAKER SETTLEMENT

1. PARK (LINKLATER) AND MARSHALL (BA) REPORTED ON THIS AFTERNOON'S MEETING WITH EXIMBANK. THEY HAD SHAKEN HANDS ON THE FOLLOWING ARRANGEMENTS. EXIM WOULD RECEIVE EIGHT MILLION DOLLARS CASH PLUS A SUM AMOUNTING TO TWELVE MILLION DOLLARS PRESENT VALUE PRODUCED BY INTEREST RATE ADJUSTMENT. BA WOULD FOREGO THE RIGHT TO DRAW DOWN HALF OF THE OUTSTANDING 120 MILLION DOLLARS, LEAVING AN OUTSTANDING CREDIT OF 60 MILLION DOLLARS. ON THE BASIS OF EXIM'S VALUATION OF THE FOREGONE DRAW DOWN RIGHTS AT FIVE MILLION DOLLARS, THE TOTAL VALUE OF THE PACKAGE WAS 25 MILLION DOLLARS.
2. ON BA'S SIDE THE AGREEMENT WAS SUBJECT TO APPROVAL BY ITS BOARD, ITS SHAREHOLDER AND THE OTHER CREDITORS. ON EXIM'S SIDE THE AGREEMENT WAS SUBJECT TO APPROVAL BY ITS BOARD.
3. PARK AND MARSHALL THOUGHT THAT IT SHOULD BE POSSIBLE TO CONTROL THE KNOCK-ON EFFECTS ON THE OTHER CREDITORS, ALTHOUGH AIRBUS REMAINED A PARTICULAR PROBLEM. AS A NEXT STEP, MARSHALL WOULD BE CONTACTING AIRBUS AS SOON AS POSSIBLE IN ORDER TO ATTEMPT TO SECURE THEIR SUPPORT.
4. A FURTHER SOURCE OF CONCERN REMAINED BECKMAN (LIQUIDATOR'S ATTORNEY) TOGETHER WITH THE ANTI-TRUST LAWYERS WHOM HE HAD HIRED IN THE CASE, AND SIR FREDDIE LAKER. IF BOTH PARTIES WITHHELD THEIR AGREEMENT IN COMBINATION THERE COULD BE CONSIDERABLE DIFFICULTIES.
5. IN ANY EVENT BA AND EXIMBANK ARE NOW DRAWING UP A MEMORANDUM OF UNDERSTANDING EMBODYING THEIR AGREEMENT.
6. WE AGREED WITH MARSHALL AND PARK THAT THE PRESS LINE TO BE TAKEN FOR THE TIMEBEING WOULD BE THAT TALKS ARE CONTINUING AND PROGRESS IS BEING MADE. WE SHALL CONTINUE TO TAKE THE LINE THAT THE NEGOTIATIONS ARE BEING CONDUCTED BY BA TOGETHER WITH THE OTHER DEFENDANTS, AND REFER PRESS ENQUIRIES TO BA.

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WRIGHT

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