

PRIME MINISTER

On the Laker action an offer of \$65 million has been made. Laker's lawyer, Backman, is arguing for more on the grounds that a contingency lawyer's fee should be x% of the loss to creditors not x% of what was finally settled. He is probably being too greedy and a settlement still looks probable.

This letter refers to a proposed settlement of the class action. BA and the Department think this is a good outcome. FCO and Treasury are content. Content also?

Lonrho announced yesterday a new action of their own. Mr Ridley is considering the implications. There may come a point where we have to press on to privatisation, with BA fighting the actions, otherwise all sorts of bloodsuckers will be attracted.

AT

ANDREW TURNBULL

11 June 1985