

CONFIDENTIAL

cejs



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON SW1

11 September 1986

cc B/T
and px

Dear David,

BRITISH AIRWAYS PRIVATISATION

Following the agreement of MISC 112 yesterday afternoon that British Airways should be privatised in January/February of 1987, my Secretary of State circulated to members of the Committee a draft announcement. The Committee was content.

/ I enclose, for information, a final draft press notice which my Secretary of State proposes to issue at 2.30 this afternoon. Some changes have been made to para. 3 which do not alter the substance but refer to the outcome of the US negotiations in terms which are more helpful for our future dealings with the Americans on air services.

Copies of this letter and the enclosure go to the Private Secretaries to members of the Cabinet, the Chief Whips of the Commons and the Lords and to Sir Robert Armstrong.

yours ever

PP. RICHARD ALLAN
Private Secretary

CONFIDENTIAL

CONFIDENTIAL

FINAL DRAFT PRESS NOTICE (FOR RELEASE 14.30 11 SEPTEMBER 1986)

JOHN MOORE TO PRIVATISE BRITISH AIRWAYS EARLY NEXT YEAR

John Moore, Secretary of State for Transport, today announced the Government's decision to privatise British Airways in the early weeks of 1987. This is the first opportunity for a major privatisation after the flotation of British Gas which is expected to be sold in November. He said:

"I am delighted to say that the way is now clear for a successful flotation of British Airways.

"The major uncertainties caused by negotiations on the air service arrangements between the UK and the USA are now resolved. We have negotiated with the US Government satisfactory and more liberal arrangements for determining the frequencies to be operated by the airlines of both countries. I am satisfied that anti trust issues need no longer delay the flotation.

"British Airways aims to be the best and most successful airline in the world. This can only come about if it is free from the constraints of public ownership. This will soon be achieved.

"This is good news for the airline. It is also good news for its employees, its customers and the public all of whom will now have the opportunity of taking a real stake in its exciting future."

CONFIDENTIAL

COMMUNICATIONS

