

From
Lord M. Spence of Maffat
Telephone: 01-837 3377

40, Bernard Street,
London, WC1N 1LG

14th August 1984

My dear Prime Minister

Perhaps I should offer you my apologies for raising the question of British Airways on a somewhat unsuitable occasion, but the sincerity of Lord King's distress impressed me so much when he spoke to me on the telephone on Sunday morning that I really felt it would be wrong for everyone concerned if I did not seize the opportunity when I had a few minutes of your time unaccompanied.

My last phrase I think was a somewhat unfortunate one, when I said "You must forget Sir Adam Thomson". What I intended to convey was that his priority could not be compared with that of the unhappy position which the Government would find itself in if Lord King was unable to implement the promises which he gave to his employees at B.A. which had been supported by the Government. Both he and I have a very great respect for the work which Adam Thomson has done. Lord King's problem is that he cannot afford to have any of his air routes removed, but he would welcome Adam Thomson's competition on many of them, because it would have the effect of sharpening up his staff, and the increased competition of both companies could well result in a greatly increased amount of business.

Of course, Sir Adam is in a difficult situation because until Lord King's appointment he was competing with a somewhat flabby and unenthusiastic Nationalised Industry, whereas under Lord King's leadership he has to compete with a thoroughly efficient and splendid organisation, which, of course, you will appreciate is quite a different matter. When Lord King was first

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appointed I anticipated this situation and invited them both to lunch to meet one another, in the hope that I might have been able to create an entente, but British Caledonian do not seem to have responded. I genuinely think that they are sufficiently financially strong to be able to weather the storm until you achieve your ultimate object of privatisation.

I am most sorry to burden you with this while on your well deserved holiday. I do most sincerely hope that you and Denis will have an enjoyable and restful holiday and that the Swiss weather will be kind to you.

Yours truly
P. Min

The Rt Hon Margaret Thatcher, MP
10 Downing Street
London SW1

24 August, 1984.

Thank you so much for your letter of 14 August which reached me while I was staying with Lady Glover. It was very good of you to write.

I am sure we both realise that whatever decision is ultimately taken, it is going to be extremely difficult for some people. It is therefore very important that every aspect should be thoroughly thought through among colleagues so that we are satisfied that we have reached the best possible solution.

The Lord McAlpine of Moffat

From
Lord McAlpine of Moffat
Telephone: 01-837 3377

40, Bernard Street,
London, WC1N 1LG

14th August 1984

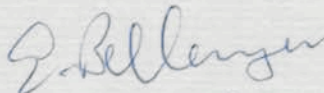
Dear Lady Glover,

Lord McAlpine has rang me from the country and asked if I could send you this letter for the Prime Minister.

He had hoped to send it to her by Ian Gow but there has been a misunderstanding over his dates.

Lord Edwin says he would appreciate very much if you could let the Prime Minister have the enclosed letter, and he sends you his love.

Yours sincerely



for Mrs D M Thomas

Private Secretary

Lady Glover
Schloss Freudenberg
Rotkreuz 6343
Kanton Zug
Switzerland