

(A)

Lord King's position

Andrew Turnbull

LORD KING'S MEETING WITH THE PRIME MINISTER -
THURSDAY 27TH SEPTEMBER

Cecil Parkinson asked me to relay the following message to the Prime Minister, having spoken himself, privately, to Lord King:-

1. Lord King is coming in as a supporter of the Prime Minister and sorry about any embarrassment he might have caused over stories in the press about his resignation.
2. Cecil Parkinson told him that he could not possibly expect the Cabinet to sacrifice Nicholas Ridley.
3. Lord King is therefore in a constructive frame of mind, prepared to make an offer which is broadly:
for BA to give up its Saudi Arabia operation and to take over from BCal loss-making operations which BA believes it can turn round into profit. Apparently the net profit transfer from BA would be £17-£20 million.

For obvious reasons Cecil Parkinson would not want the Prime Minister to let Lord King know that he has spoken to me about this.

SS

26.9.84

STEPHEN SHERBOURNE