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cc NO



DEPARTMENT OF TRANSPORT
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The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Treasury Chambers
Parliament Street
LONDON SW1P 3AG

NBPT
DHW
4/9

4 September 1985

Dear Nigel

Thank you for your letter of 30 August about the privatisation programme.

I agree that for the reasons you mention we ought, regrettably, to conclude that it will not be possible to privatise BA before the end of the current financial year and I am happy for you to announce the substitution of another privatisation.

My only concern relates to the line which you propose we should take in dealing with enquiries about the implications of this announcement for the timing of BA privatisation. There is a danger that we will be accused of dragging our feet now that the Laker/Lonrho law suits are disposed of. I think we can avoid this by giving a slightly more positive emphasis to the press line which you suggest. I propose to say that, while a date cannot be set until all the legal issues arising out of the failure of Laker Airways, including the class actions, have been resolved, we intend to sell BA as soon as is practically possible in the next financial year.

I am sending a copy of this letter to the Prime Minister.

Lawson

Nicholas

NICHOLAS RIDLEY

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