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10 DOWNING STREET

THE PRIME MINISTER

27 June 1985

Dear Sir Arnold,

Thank you for your letter of 6 June expressing anxiety about developments since Dr. Mahathir and I agreed in principle that MAS should be allowed to operate a fifth frequency to London.

As you will remember, the joint press release issued at the time of my meeting with Dr. Mahathir pointed out that details of the fifth frequency would be discussed between the two sides and it was expected that it would be between one and two years before the additional service was operational.

As a first step in the detailed discussions, BA met MAS as you know in Kuala Lumpur last month. BA put some detailed proposals to MAS within the framework of my agreement with Dr. Mahathir. I hope that these will provide a basis for an agreement during the discussions between governments which I understand the Malaysians are proposing and which I hope will take place in July.

Yours sincerely
Margaret Thatcher

Sir Arnold Hall, F.R.S., F.Eng.

SRW