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PRIME MINISTER

DHS
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MS

BRITISH AIRWAYS PRIVATISATION

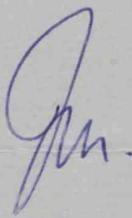
My Private Secretary wrote on 6 January to alert colleagues to the sensitivity in the run-up to British Airways (BA) privatisation of any public statements concerning BA or the flotation, or the aviation industry generally.

2. The offer for sale is to be made on Tuesday 27 January: the offer closes on 6 February and dealings will commence on 11 February. During that period I must ask colleagues to observe particular caution, since any comments made by Ministers of the Crown which could have a material effect on BA's business could imperil the offer. In addition the Government as vendor has a responsibility to ensure that material available to investors is accurate. Therefore, if there are any developments or statements which might be interpreted as having a material effect on BA's prospects we would have to see that supplemental listing particulars were issued which could have repercussions for the offer. Even after that period our responsibilities do not wholly cease; and some caution will be required in what we say relevant to the offer. We may be particularly vulnerable in law until the second instalment on the shares is paid in August 1987, and therefore if colleagues have it in mind to make a statement which might have an adverse effect on BA I should be grateful if they would consult my Department.

3. Copies of this minute go to all Cabinet colleagues, to John Wakeham, Bertie Denham and Michael Havers, and to Sir Robert Armstrong. I should be grateful if colleagues would circulate

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this guidance to all Ministers within their Departments.

A handwritten signature in blue ink, appearing to be 'Jm.' with a stylized flourish.

JOHN MOORE

23 January 1987

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AEROSPACE: Future of BA: Part 6

