



10 DOWNING STREET

From the Private Secretary

Prime Minister ⁽²⁾

Following your meeting with Lord King, I asked Dept of Transport to comment on Lord King's view that CAA could produce a report which would damage BA and make privatisation much more difficult. The Department's reply is relatively reassuring.

As BA's balance sheet improves under its own efforts, to less hold the Government has on BA to encourage it to shed routes and assets. But equally if BA is privatized without a debt write off / injection of Government funds, the weaker the B Cal case becomes.

Content with this report?

Yes - Thankyou
ms AT 8/3