



Mr. Gow.

LM

B.A.
(King)

10 DOWNING STREET

From the Private Secretary

9 June, 1982

CHAIRMANSHIP OF BRITISH AIRWAYS

The Prime Minister had a word with your Secretary of State and with the Chancellor of the Exchequer this morning after Cabinet about your Secretary of State's minute of 25 May, and the Chancellor's minute of the next day.

After some discussion, it was agreed that:-

- (a) Your Secretary of State should sound out Sir John King on whether he would be willing to take on the Executive Chairmanship of British Airways.
- (b) If Sir John King proves unwilling to take on this role, he should be asked to propose a candidate for the post of Chief Executive.
- (c) That a decision on whether or not to extend Sir John King's appointment to five years should not be taken until these matters have been settled.

The Prime Minister made it quite clear that she valued the work that Sir John King was doing as Chairman of British Airways, and that she considered it essential that the Government should retain his support and goodwill. Your Secretary of State agreed to take this into account in his dealings with Sir John, and in putting to him the decisions described above. The Prime Minister said that above all she wished to avoid a situation where Sir John appealed to her against the decisions of your Secretary of State.

I am copying this letter to John Kerr (HM Treasury).

(Sgd.) W. Riblett

J Rhodes, Esq
Department of Trade