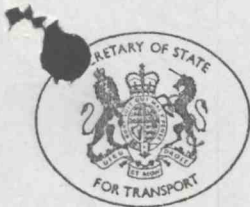


NBSM  
 AS 10/73  
 CC NO



DEPARTMENT OF TRANSPORT  
 2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

The Rt Hon Lord Young of Graffham  
 Minister without Portfolio  
 Cabinet Office  
 70 Whitehall  
 LONDON SW1A 2AS

14 March 1985

*Dear David*

BRITISH AIRPORTS AUTHORITY

Thank you for your two letters, the second dated 26 February, about the British Airports Authority.

The reason why I am not keen to see any major involvement by the BAA in the Docklands Stolport is that we want more airport operators rather than less, and we do not want the public sector to expand. However, the application for development of the Stolport is shortly to be the subject of a judicial review, and it is unclear as yet whether, and if so when, planning permission will be granted. If it is granted I have agreed that I will see Mr Beck, the chairman of John Mowlem, to discuss the possibility of BAA involvement and I will wish to consider his arguments.

As to the question of privatising the BAA, I intend to put proposals to colleagues shortly, which could lead to the privatisation of some or all of the BAA's airports.

I am copying this letter to members of the E(NI) and to Sir Robert Armstrong.

*Young*  
*Nicholas*

NICHOLAS RIDLEY

Econ PDI PT II  
Privatisasi

0808 11 127  
J 1  
6 4 2 3

15 MAR 1995



## CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio  
The Rt Hon Lord Young of Graffham

The Rt Hon Nicholas Ridley MP  
Secretary of State for Transport  
Department of Transport  
2 Marsham Street  
London SW1P 3EB

26 February 1985

*Nich.*

## BRITISH AIRPORTS AUTHORITY

Thank you for sending me a copy of your letter of 21 February to Peter Rees.

In my earlier letter I mentioned that I could not see much objection to BAA involvement in the Docklands STOLPORT on competition grounds since an operation based on the Dash-7 seemed not to represent a threat to Heathrow or Gatwick services operated by a large variety of other, larger, aircraft. If Mowlem's want BAA and if BAA are prepared to participate then I do not see why we should be too worried - apart from the question of extending the public sector, to which I return later. In this connection it might perhaps be helpful if you felt able to expand on the particular arguments which have led you to conclude that a BAA/Mowlem agreement would be undesirable.

As to the question of extending the public sector, it is not the solution to privatise BAA. In other contexts - such as British Leyland - we have been unwilling to allow public sector enterprises to take on other businesses because there was no evidence that there was any desire to leave the public sector in the foreseeable future. But, as I understand it, the BAA does not take this line and would actually welcome at least a measure of private sector participation. It does seem odd not to try to speed them on their way out of the public sector, particularly when BA's privatisation programme has slowed down.

I am copying this to members of E(NI) and to Sir Robert Armstrong.

*Law  
Nair*

Privation



11 12 1  
2  
3  
4  
5  
6  
7  
8

27 FEB 1985

*[Faint, illegible handwriting]*

520

NBPM AT 22/2 ~~SENO~~



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

R/PSO/1798/85

The Rt Hon Peter Rees QC MP  
Chief Secretary to the Treasury  
HM Treasury  
Treasury Chambers  
Parliament Street  
LONDON SW1P 3AG

21 February 1985

*Dear Peter*

BRITISH AIRPORTS AUTHORITY

*will request if required*

Thank you for your letter of 4 February. I expect to be able to report an equally successful performance by BAA in the present year, with profits reflecting both the unexpectedly high rate of growth in the number of passengers and the continuing downward pressure on costs.

I agree with your views on BAA's participation in the Docklands STOLPORT, if that is given planning consent, and in a joint venture with British Rail on the Victoria - Gatwick Railair link. You may like to know that Mowlems, the developer, have urged me to allow BAA to take an equity stake in the STOLPORT; they see this as being in the company's interests, no doubt because the BAA's involvement would increase investors' confidence. I will be seeing Phillip Beck, the Chairman of Mowlems, but he will have to produce some very persuasive arguments to move me from my present position. I will of course consult you should either proposal come forward.

I am copying this to members of E(NI) and to Sir Robert Armstrong.

*Nicholas Ridley*

NICHOLAS RIDLEY



22 FEB 1985