

Sir Arnold Hall FRS, F.Eng.

Chairman

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No reply
reverse

4th July, 1985.

The Rt. Hon. Margaret Thatcher, F.R.S.,
Prime Minister,
10 Downing Street,
London. SW1

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Dear Prime Minister

Thank you very much for your letter of the 27th June on the Malaysian Airline issue in reply to mine of the 6th June. We are very obliged to you for your interest.

As you say, the fifth frequency was agreed, with the expectation that it would be between one and two years before it operated. However, it usually takes between one and two years to obtain an aircraft. Following your discussion with Dr. Mahathir, Malaysian Airlines have placed an order with Boeing (with Rolls-Royce engines), but conditional on the Malaysian Government's approval, which is unlikely to be given until important aspects of the issue are settled.

Delay in settling has put a stopper on otherwise unrelated major contract placements, of which our locomotive position is an example. This gives our competitors more time to seek ways of improving their position.

We are, therefore, most grateful for the information that inter-governmental discussions are now likely to take place this month, and hope that these lead quickly to a reasonable agreement, so removing a situation that has overshadowed attempts to re-build trade with Malaysia for the last nine months.

Yours sincerely,

A.A. Hall

A.A. HALL.

Malaysia, Relations; 8/79



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