

CC/Bg.

FCS/86/007

NBM

CHIEF SECRETARY TO THE TREASURYLaker Class Actions Settlement : Claims
by Government Departments

attached

1. I understand that your officials are recommending to you, following Nicholas Ridley's letter to you of 13 December, that Government Departments should, as he proposes, forego claims on the Laker class actions coupon fund. I accept the force of Nicholas' argument that on grounds of principle it would be inconsistent for the Government to take advantage of a fund which we believe ought never to have come into existence in the first place. This settlement has been made out of court, and therefore technically is not a consequence of applying US anti-trust laws, but in practice it could not have been made without the threat of these laws hanging over airlines' heads. It is therefore "tainted" as far as our position on civil aviation and anti-trust is concerned.

2. At the same time I attach the highest importance to maximising receipts and thus reducing any claims on the Reserve. My Department is constantly on the lookout for ways to save money. The FCO would almost certainly have been the largest Whitehall claimant from this fund; and overall, the amount of compensation which Whitehall Departments might receive could be as much as £1m. Nevertheless, I am prepared to accept, with some reluctance, that in this case Government Departments should not take advantage of this fund.

/3. I am

CONFIDENTIAL



3. I am copying this letter to the Prime Minister
and Cabinet colleagues.

A handwritten signature in black ink, appearing to be 'G. Howe', written in a cursive style.

Foreign & Commonwealth Office
10 January 1986

GEOFFREY HOWE

CONFIDENTIAL

LEGAL PROC. #12.

US GRAND JURY.

