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Secretary of State for Trade and Industry

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19 March 1986

SECRET

David Norgrove Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

NBM

Dear David,

BRITISH AIRWAYS: ANTI-TRUST SUITS

My Secretary of State was very grateful for the agreement of the Prime Minister and MISC 112 Colleagues to the use of his powers under the Protection of Trading Interests Act in relation to the two anti-trust cases about which I wrote on 17 March.

In the event, developments in the USA on 17-18 March have had a small effect on the timing of any measures. The earlier Laker action (which had been expected to be settled on 17 or 18 March bringing with it the expiry of the existing Direction under the Act) is now expected to be settled within the next few days. The existing Direction therefore has a very brief extra period to run.

These developments do not, in our view, change the fundamental case for taking early measures under the Act; and the Department of Transport agree with this view. We are, however, discussing with the Foreign and Commonwealth Office what the best moment might be for the exercise of powers.

Against this background, we expect to take these measures very shortly. This Department will remain in touch with the Department of Transport and the Foreign and Commonwealth Office on the precise timing.

I am copying this letter to Robert Culshaw (FCO), Philip Wynn Owen (Treasury), Richard Allan (Transport), Henry Steel (Law Officers' Department) and Michael Stark (Cabinet Office).

Yours ever,

Michael

MICHAEL GILBERTSON
Private Secretary

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