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MESSAGE FROM PRESIDENT REAGAN TO THE PRIME MINISTER

APRIL 6 FM WHITEHOUSE

CONFIDENTIAL

Dear Margaret,

**PRIME MINISTER'S  
PERSONAL MESSAGE**

**SERIAL No. T 45/83**

**Subject: LEGAL PROCEDURE: US Grand Jury  
Investigation: March 1983**

Your message of March 29, regarding the antitrust investigation of airline price-fixing, reached me just as I left Washington for a few days in California. I wanted, however, to respond as soon as possible, as you asked.

After checking with my officials, I am afraid that we cannot defer any longer the antitrust investigation by our Justice Department of British and other air carriers. There are substantial allegations involved, including fixing and raising air fares without the approval of our aeronautical authorities, and it is my clear obligation to see that our antitrust laws are enforced.

We have reviewed whether this matter should be handled under our bilateral aviation agreement, and have concluded that the agreement does not provide an exception to our antitrust laws. We therefore feel that we can defer the investigation no longer, and will issue subpoenas unless the carriers agree to provide the required information voluntarily.

The continuance of the Justice Department investigation does not preclude further rounds of consultations between our officials on this issue, although the correct format will have to be worked out. I have asked George Shultz to be in touch with Francis Pym to make the necessary arrangements.

You know how highly I value our personal relationship and the unique cooperation between our countries on important matters. However in this case I feel that I do not have the latitude to respond to your concerns. I would emphasise that at this point the Justice Department is only investigating allegations, but it is

my responsibility that the investigations proceed. Knowing your personal interest, I will stay abreast of developments in this case.

Sincerely,

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