

Reference: CAI Review: 163

~~Subject~~ OPS

Mark

SECRET

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 198/84

Dear Margaret:

I agree wholeheartedly with the observation in your November 19 letter that we must make every effort to resolve some of the outstanding differences in the civil aviation field. Reflecting the great importance which I attach to these discussions, I have asked Deputy Secretary of State Kenneth Dam to initiate this process. He is scheduled to meet with Sir Geoffrey Howe and Mr. Nicholas Ridley on Wednesday, November 28, and I hope that he and your ministers will be able to make significant headway in this essential area. As Under Secretary Allen Wallis mentioned to you on November 18, we believe this should include:

- (1) substantial pricing flexibility;
- (2) a relaxation of capacity restrictions;
- (3) full disclosure of price coordination talks;
- (4) Her Majesty's Government's commitment not to invoke its blocking statute against U.S. enforcement actions against violations and to stress to carriers the need to comply with U.S. antitrust laws.

I sincerely believe that progress in these areas will be in the best interest of both our countries.

Nancy and I are looking forward to seeing you next month.

Sincerely,

//S//

Ron

SECRET