

OPS *cc MASTER*

SUBJECT : AEROSPACE : *Future of BA*
A3

THE WHITE HOUSE
WASHINGTON

December 21, 1984

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. *T211 AM/84*

Dear Margaret:

Thank you for your recent letter concerning civil aviation.

I remain hopeful that we will be able to improve the competitive conditions of international air transportation between our two countries. We are deeply disappointed, however, that you appear to condition new steps toward this goal on legislation that would eliminate private antitrust actions, especially since you and I share the goal of increasing competition in trade. I believe that more competition in air transportation between our two countries will serve both to benefit our consumers and to strengthen our airlines. This should not, in our view, be linked to a specific change in U.S. legislation which is at present unrealistic.

I have been informed that Secretary Shultz and Ambassador Price have explained to your ministers that we do not believe legislation to eliminate treble damages is necessary in order for our airlines to operate free of litigation in a more competitive environment. I further understand that adequate means are currently available under U.S. law, and our Bermuda II aviation agreement to provide any necessary protection from antitrust suits, as has been demonstrated by British Airways' long and favorable experience with U.S. antitrust law.

I am hopeful that after your ministers have reviewed the information Ambassador Price and others have provided them concerning U.S.

antitrust laws, you will conclude that we can open up the aviation regime without legislation on private antitrust suits. Indeed, we view such movement as essential if we are to be able in the future to contemplate any legislative action regarding private suits. I hope that you will be able to instruct your negotiators to resume our discussions promptly on this basis.

I look forward very much to seeing you Saturday at Camp David.

Sincerely,

Ron

The Right Honorable
Margaret Thatcher, M.P.,
Prime Minister
London