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Secretary of State for Trade and Industry

25 September 1985

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign and  
Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
LONDON  
SW1

1. ~~CAD~~  
To see - including  
FCS's minutes  
2. NBP7  
DLS  
26/9

Dear Geoffrey,

US/UK AVIATION : FUTURE STRATEGY

Nicholas Ridley copied to me his letter to you of 18 September, enclosing his proposals for resuming the dialogue with the Americans on future aviation relations, including the problem of antitrust.

2 The Laker liquidator's action clears the way for a resumption of this dialogue, and Michael Spicer's meeting with Mrs Dole is a good opportunity to make a start. I also agree that the antitrust issue must be on the agenda; otherwise a move towards a more liberal regime would merely increase the risk of new disputes like the Laker case.

3 I believe that Michael Spicer should place the problem of antitrust as it affects aviation in the wider context of our problems with US antitrust generally. On this, there are signs that many in the US are coming to recognise that the right of private treble damage actions against foreign companies can threaten the international relations of the United States. Senator De Concini's bill, which would limit the right of private treble damage action where foreign interests are involved, is an encouraging development.

4 It seems to me doubtful however whether a complete solution to these difficult issues is attainable within six months. There may be different views even within the Administration on the package suggested by Nicholas Ridley. And only new legislation could provide a lasting solution to the antitrust problem.

JF2ADP



5 For these reasons, I favour the approach put forward by Sir Oliver Wright in Washington telegram 2636, and particularly the suggested line in paragraph 5. This emphasizes the link between a more competitive aviation regime and a solution to the antitrust problem; but it relates it to our wider problems with US antitrust laws, and does not lay down a rigid timescale.

6 I am copying this letter to Nicholas Ridley, to the other members of MISC 112, and to Sir Robert Armstrong.

*Leon*

LEON BRITTAN

