



CONFIDENTIAL

CCBG

PRIME MINISTER

HCSPN at this stage
B/F / CF (i) has Ridley made his statement
(ii) will Treasury be commenting
RHS

APPLICATION OF US ANTI-TRUST LAW TO INTERNATIONAL CIVIL AVIATION

Nick Ridley has sent me a copy of his minute to you of 22 November.

2 I understand that current plans for BA's privatisation include flotation in the United States as well as in this country. In the light of our experience with British Telecom I wonder whether this is really necessary. In any event if the proposed flotation in the United States is likely to make BA an easy target for American contingency fee lawyers pursuing anti-trust actions on behalf of airlines or passengers on a speculative basis and being remunerated out of any proceeds, then I believe that it would be worth reconsidering the plans for a US flotation. If we decide against a US flotation, then the case for a statement on the lines Nick Ridley suggests would require reconsideration, and would obviously be much weaker.

3 I am copying this minute to other members of Misc 112, and to Sir Robert Armstrong.

L. B.

L B

28 November 1985

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DW2ADG