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PS/Secretary of State for Trade and Industry

3 August 1983

Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Michael,

AVIATION ANTI-TRUST CASE: COURT OF APPEAL DECISION

Last month my Secretary of State, with the agreement of the Foreign and Commonwealth Secretary, the Attorney General and the Secretary of State for Transport, made an Order and Directions under the Protection of Trading Interests Act 1980. This action was taken to help British Airways and British Caledonian against the application of US anti-trust laws, and to make clear the Government's own position on the application of such laws to matters covered by the Bermuda II air services agreement.

2 One of the main specific aims in using the PTI Act was to strengthen the position of the two airlines in their appeal against the refusal of Mr Justice Parker in the High Court to require the Laker liquidator to discontinue the private anti-trust action which he had instituted against them in the US Courts.

3 The Prime Minister will have seen that the Court of Appeal on 26 July upheld the airlines' appeal and issued an injunction requiring the Laker liquidator to drop his action against them in the US. The Court also confirmed the validity of the PTI Act Order and Directions, which the liquidator had challenged. It is clear from the Court's judgement on the main issue that the Order and Directions had a decisive influence on the outcome.

4 The Court refused the liquidator leave to appeal to the House of Lords, but it is open to him to seek leave from the Judicial Committee of the House of Lords. Should he do so successfully, the case will go to the House of Lords for final decision, which would not be for several months.

5 I am copying this letter to the Private Secretaries to the

See
SS/Transport
to Att Gen
287.

cc NYD
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Foreign and Commonwealth Secretary, the Attorney General and the
Secretary of State for Transport.

Yours sincerely,
Ruth Thompson

RUTH THOMPSON
Private Secretary

LEBA Procedure : US Grand Jury

March 83

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