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Foreign and Commonwealth Office

London SW1A 2AH

12 October 1984

Dear Dinah,

Laker

Thank you for your letter of 5 October conveying Mr Ridley's suggestion that the Foreign Secretary chair a meeting of the Ministers most closely concerned with the Laker dispute. Sir Geoffrey Howe has agreed to this. The meeting will be at 4.45 pm on Tuesday, 16 October. The Cabinet Office have kindly agreed to provide a room (Conference Room A) and a Secretariat. They will be circulating their own meeting notice.

We agreed on the telephone that Mr Ridley would be accompanied by the two officials most closely involved. May I suggest that to keep numbers at the meeting down, other Ministers should be accompanied by one official if they wish?

Sir Geoffrey Howe proposes that the meeting should begin by discussing the line our delegation should take at the forthcoming consultations in Washington, including the use which might be made at those consultations of threats to move to arbitration, or of notice of termination of the Bermuda II Agreement, and then move on to consider the place of the consultations in the broader strategy set out in your Department's paper.

It will be important in discussing the questions of arbitration or termination also to identify the implications of either course for the British airlines. The Foreign Secretary believes that for that purpose it is important that the meeting should have before it an authoritative view on each of these courses from all the major British airlines operating on the North Atlantic routes, and also their views on a settlement for the future on the lines of paragraph 9(a) of your Department's paper. He would therefore welcome hearing at next week's meeting Mr Ridley's assessment

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of the views of the airlines' senior management on these points. The wider consequences of uncertainty in trans-atlantic air communications for the consumer, the tourist industry, the City of London and for BA's privatisation will also be relevant.

I am copying this letter to David Peretz (Treasury), Callum McCarthy (Trade and Industry), Henry Steel (Attorney General), Richard Hatfield and Bryan Cartledge (Cabinet Office) and, for information, to Andrew Turnbull (10 Downing Street).

Yours,
Peter Ricketts

(P F Ricketts)
Private Secretary

Miss D A Nichols
Private Secretary
Department of Transport

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LEONE PROVEDING: Lakes
March 83



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