

Clear copies to  
J Whitehead Trade  
J Holmes for  
Mrs Robt Alford

6<sup>th</sup> April 1983

SUBJECT  
CC MASTER  
OFF

Please ask  
Lord Boydell  
and the Ad  
to deal  
with this  
immediately  
MS.

7 p.m.

TOO WTE24  
DE WTE £2204 0961623  
O 061656Z APR 83  
FM THE WHITE HOUSE  
TO CABINET OFFICE  
ZEM

C O N F I D E N T I A L VIA CABINET OFFICE CHANNELS WHO2204  
APRIL 6, 1983

DEAR MARGARET:

YOUR MESSAGE OF MARCH 29, REGARDING THE ANTITRUST INVESTIGATION OF AIRLINE PRICE-FIXING, REACHED ME JUST AS I LEFT WASHINGTON FOR A FEW DAYS IN CALIFORNIA. I WANTED, HOWEVER, TO RESPOND AS SOON AS POSSIBLE, AS YOU ASKED.

AFTER CHECKING WITH MY OFFICIALS, I AM AFRAID THAT WE CANNOT DEFER ANY LONGER THE ANTITRUST INVESTIGATION BY OUR JUSTICE DEPARTMENT OF BRITISH AND OTHER AIR CARRIERS. THERE ARE SUBSTANTIAL ALLEGATIONS INVOLVED, INCLUDING FIXING AND RAISING AIR FARES WITHOUT THE APPROVAL OF OUR AERONAUTICAL AUTHORITIES, AND IT IS MY CLEAR OBLIGATION TO SEE THAT OUR ANTITRUST LAWS ARE ENFORCED.

WE HAVE REVIEWED WHETHER THIS MATTER SHOULD BE HANDLED UNDER OUR BILATERAL AVIATION AGREEMENT, AND HAVE CONCLUDED THAT THE AGREEMENT DOES NOT PROVIDE AN EXCEPTION TO OUR ANTITRUST LAWS. WE THEREFORE FEEL THAT WE CAN DEFER THE INVESTIGATION NO LONGER, AND WILL ISSUE SUBPOENAS UNLESS THE CARRIERS AGREE TO PROVIDE THE REQUIRED INFORMATION VOLUNTARILY.

THE CONTINUANCE OF THE JUSTICE DEPARTMENT INVESTIGATION DOES NOT PRECLUDE FURTHER ROUNDS OF CONSULTATIONS BETWEEN OUR OFFICIALS ON THIS ISSUE, ALTHOUGH THE CORRECT FORMAT WILL HAVE TO BE WORKED OUT. I HAVE ASKED GEORGE SHULTZ TO BE IN TOUCH WITH FRANCIS PYM TO MAKE THE NECESSARY ARRANGEMENTS.

YOU KNOW HOW HIGHLY I VALUE OUR PERSONAL RELATIONSHIP AND THE UNIQUE COOPERATION BETWEEN OUR COUNTRIES ON IMPORTANT MATTERS. HOWEVER IN THIS CASE I FEEL THAT I DO NOT HAVE THE LATITUDE TO RESPOND TO YOUR CONCERNS. I WOULD EMPHASIZE THAT AT THIS POINT THE JUSTICE DEPARTMENT IS ONLY INVESTIGATING ALLEGATIONS, BUT IT IS MY RESPONSIBILITY THAT THE INVESTIGATIONS PROCEED. KNOWING YOUR PERSONAL INTEREST, I WILL STAY ABEAST OF DEVELOPMENTS IN THIS CASE.

SINCERELY,

RON

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T45/83

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£2204

US Declassified

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C O N F I D E N T I A L

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ZZ WASHINGTON

GRS 386

CONFIDENTIAL

FM F C O 061900Z APR 83

TO FLASH WASHINGTON,

TELEGRAM NUMBER 571 OF 6 APRIL 1983.

ANTI-TRUST INVESTIGATION INTO AIRLINE PRICE-FIXING.

1. PRESIDENT REAGAN HAS TODAY REPLIED TO THE PRIME MINISTER'S MESSAGE OF 29 MARCH (TEXT BELOW). GRATEFUL FOR YOUR INITIAL COMMENTS AS SOON AS POSSIBLE, EITHER BY TELEGRAM OR BY TELEPHONE TO THE RESIDENT CLERK. IN PARTICULAR, HOW SOON ARE THE AMERICANS LIKELY TO TAKE ACTION? OUGHT WE TO TAKE PREVENTATIVE ACTION OURSELVES (IF ANY IS POSSIBLE) TONIGHT IF THE AMERICANS NOW PROPOSE TO MOVE VERY FAST?

2. TEXT OF THE PRESIDENT'S REPLY IS AS FOLLOWS:

BEGINS:

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237 - 2

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SINCERELY,

RON.

ENDS

PYM

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