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PS/

Secretary of State for Trade and Industry

19 November 1984

CONFIDENTIAL

Miss Dinah Nichols  
Private Secretary to the  
Secretary of State for Transport  
2 Marsham Street  
LONDON  
SW1P 3EB

Dear Dinah,

AVIATION AND US ANTITRUST : THE "LAKER" ISSUE <sup>with AT</sup>

I am writing to confirm what Ruth Thompson has already told you, namely that my Secretary of State has considered the question of limiting our use of the PTI Act, on the basis proposed in your Secretary of State's letter of 15 November. He is content that, in the context of an acceptable overall package which will avoid a recurrence of problems over the application of US antitrust law to bilateral aviation services, the UK could agree not to use the PTI Act to block US enforcement of a ban on undisclosed airline discussions and agreements. This would be subject to satisfactory resolution of the three safeguards set out in your Secretary of State's letter.

2 I am copying this letter to Andrew Turnbull (No 10), David Peretz (Treasury), Richard Gardiner (Attorney General) and Richard Hatfield (Cabinet Office).

*Yours sincerely*

*Colin McCarthy*

M C McCARTHY  
Private Secretary

JH5BAR



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