

SECRET

2

*Very disappointing
than meeting
-20-6-80 (A1)*

but better

PRIME MINISTER

cc. Mr. Whitmore

Sir Keith's minute (flag A) proposed a relatively modest relaxation of the P.O. monopoly in telecommunications. The objections to going further are part technical (e.g. the P.O. must provide the first telephone and associated wiring from the exchange line to ensure a basic service - or so it is argued); partly due to difficulties with the union; partly financial (e.g. privatising long distance service would cost the P.O. a lot of money); and partly industrial (too sudden a move would lead to an influx of imported equipment.)

-7-7-80.

The Home Secretary (flag B) is a little worried about the implications for telephone interception; but he is prepared to go along with the proposals provided he is consulted before any further action is taken on liberalisation or on organisational changes.

-7-7-80.

Mr. Nott (flag C) reluctantly accepts Sir Keith's proposals, but suggests that there should be an early reference to the Monopolies Commission.

Are you content with Sir Keith's minute? If so, you will presumably agree that the Home Secretary should be consulted as he requests. And I can say that you hope Sir Keith will seriously consider Mr. Nott's idea of a reference to M.M.C.

*Yes but
have not yet
decided.*

*E decided that PM
shall chair small meeting*

8 July 1980

SECRET

9/7