

CONFIDENTIAL



10 DOWNING STREET

From the Principal Private Secretary

11 November 1980

Dear Stuart,

The Prime Minister has seen the exchange of Ministerial correspondence, beginning with your Secretary of State's letter of 17 October, about the proposal to refer the telecommunications network to the Monopolies and Mergers Commission.

She shares the view of the Secretary of State for Industry that such a reference would not be opportune at the time when the Government is about to introduce legislation to split the Post Office and to liberalise parts of the telecommunications service. The object of liberalisation is to introduce a degree of competition in this area, and thus to provide a spur to efficiency in the telecommunications side of the Post Office. We should see what the effect of that will be before considering a reference to the Monopolies and Mergers Commission.

I am sending copies of this letter to the Private Secretaries to the Home Secretary, the Chancellor of the Exchequer, the Secretary of State for Industry, the Chief Secretary and the Paymaster General. A copy also goes to David Wright (Cabinet Office), *Lord Privy Seal's Office.*

Yours ever,

John Major.

Stuart Hampson, Esq.,
Department of Trade.

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