

CONFIDENTIAL



cc HAT
WD
MFF
JOG
TRAC
ENG
CO
FSO

LPSO
MDD
CO
CWO

JH

tran Pcy

10 DOWNING STREET

From the Private Secretary

2 March 1981

Cable and Wireless

The Prime Minister has read your letter of 27 February, and the letters of the same date from the Treasury and the FCO.

She is still not convinced that it would be right to sell off less than 50 per cent of the Government's shares in Cable and Wireless, and she would like the matter to be discussed in E Committee on Thursday 5 March.

The objections to a larger than 50 per cent sale rest mainly on the understandings that have been reached with various overseas Governments. The Prime Minister has asked in particular what is the precise nature of these understandings.

I should be grateful if you could arrange for a paper to be circulated to E Committee and that it should cover this point.

I am sending a copy of this letter to the Private Secretaries to members of E(DL), Michael Arthur (Lord Privy Seal's Office), Jonathan Dawson (Ministry of Defence), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

TH

Mrs Liz Riley,
Department of Industry.

CONFIDENTIAL

SK