



10 DOWNING STREET

From the Private Secretary

9 March 1981

Cable and Wireless

The Prime Minister read the draft statement enclosed with your letter of 6 March over the weekend, and as I told you, she was not entirely happy with it. In particular, she took the view that the penultimate paragraph of the draft would be likely to restrict the Government's future course of action in selling off further shares in the company.

We have subsequently agreed that, in order to take care of the Prime Minister's point, the penultimate paragraph should be deleted, and that the last sentence of the paragraph preceding it should read:

"The part ownership formula we have decided on will follow the precedent set up by BP, leaving the Government with a major shareholding capable of safeguarding overseas governments' interests as necessary."

We also agreed that the words "both stability and" should be deleted from the final sentence of the draft.

I understand that the FCO are content with these changes.

I am sending copies of this letter to Michael Arthur (FCO), Steven Locke (Treasury), Murdo Maclean (Chief Whip's Office), Nicholas Huxtable (Chancellor of the Duchy of Lancaster's Office), David Wright (Cabinet Office) and Bernard Ingham.

T. P. LANKESTER

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