

Cable and Wireless

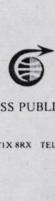
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with compliments

Sir Eric Sharp C.B.E.

Chairman & Chief Executive



CABLE AND WIRELESS PUBLIC LIMITED COMPANY

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Sir Eric Sharp C.B.E. Chairman & Chief Executive

COMMERCIAL IN CONFIDENCE

10th April 1986

The Rt. Hon. Sir Geoffrey Howe, QC., MP., Secretary of State for Foreign and Commonwealth Affairs, Foreign and Commonwealth Office, LONDON. SWIA 2AH

Dear Seoffrey

You will remember writing to Mr. Abe on 25th February about Anglo-Japanese trade relations and about Cable and Wireless' plans to join a consortium to provide an alternative international service for Japan.

I have just returned from Tokyo and would like to report on the significant progress we have made since your timely intervention.

First, we became the first British company to be quoted on the Tokyo Stock Exchange when our shares were listed on 2nd April. I know from enquiries we have received from other British companies that our example will stimulate others to seek listing in the world's second most important stock market and this can only be good for increasing the current somewhat muted British presence in the Pacific Basin.

Our listing, however, is just the first step towards our strategic objective of full participation in any consortium the Japanese establish as an alternative to KDD (the monopoly external telecommunications organisation) and your February letter has stimulated active support for our role in high level quarters in Japan - a necessary condition for a project which touches the national interests of Japan.

My discussions with the Secretary-General of the Liberal Democratic Party, and with a key adviser of the Prime Minister and also the President of NTT (Nippon Telephone and Telegraph, the largest telecommunications company in the world, some five times the size of BT) have led me to believe that the Japanese are prepared to make a major structural change and accept Cable and Wireless as a full partner in any alternative international carrier they license. We have been identified as the only foreign telecommunications company capable of providing the international expertise and strategic position in the Pacific region necessary to meet Japan's international objectives.

DRAFT Dear Mr. Abe, Sir Eric Sharp, the Chairman of Cable and Wireless, has just written to me reporting on the good progress being made on the joint Anglo-Japanese telecommunications project I mentioned in my letter to you of 25th February, I welcome this development and think it would be in our mutual interest if we could reach an accord at our bilateral discussions at the Summit in support of this project which provides concrete evidence of structural change to the benefit of both Japan and the United Kingdom and exemplifies in an imaginative way the importance of deregulation and privatisation in both the Atlantic and Pacific basins. I look forward to seeing you again in Tokyo. I am copying this to the Prime Minister and Chancellor. Yours sincerely, Sir Geoffrey Howe

