

CEPA



Treasury Chambers, Parliament Street, SW1P 3AG

Miss C J Bannister
PS/Home Secretary
Queen Anne's Gate
London SW1H 9AT

MBM

RCG

3/10

2 October 1989

Dear Catherine,

PRIVATISATION OF THE TRANSMISSION SYSTEM

file with R

I have shown the Financial Secretary your letter of 19 September to Paul Gray about the early privatisation of the transmission system (which the Prime Minister has now endorsed).

On the method of sale, the Financial Secretary agrees that a public flotation is unsuitable. He also supports the Secretary of State for Trade and Industry's suggestion that the financial advisers should be asked to consider the advisability of a management buy out bid and how such a bid might be made to compete on equal terms with a trade sale.

The Financial Secretary agrees with the Home Secretary's proposals for the ED department.

I am copying this letter to the Private Secretaries to members of MISC 128 and to Sir Robin Butler.

Yours,

S J FLANAGAN
Private Secretary

BROADCASTING: Day
P. 9

