

SECRET



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

PRIME MINISTER

CABLE AND WIRELESS SHARE SALE

As part of the continuing programme of share sales, I propose, subject to market conditions, to sell a further tranche of the Government's holding in Cable and Wireless plc (C&W). The likely impact day would be late in November. The sale would take the place of Enterprise Oil which has slipped to early 1984-85.

2. The Government at present holds some 45 per cent of C&W's issued equity. I believe we should aim to sell about 25 per cent - 110 million shares. At the current share price of around 270p, this would raise about £300 million before expenses. It would make a substantial contribution to the target for asset sales for 1983-84 without straining the market's capacity for shares in C&W. It would also leave room for a similar sale later in the life of this Parliament.

3. The Governments of those overseas countries in which C&W provides telecommunications services have been notified of the intention to sell shares and have raised no objections. I have considered whether C&W's exposure to Hong Kong might lead others wrongly to infer from a sale that HMG did not have confidence in the prospects for the negotiations with the People's Republic on Hong Kong's future. The FCO have

SECRET



consulted the authorities in Hong Kong, who observed that HMG's policy of privatisation was widely known and understood there. They did not therefore expect an adverse reaction.

4. The Directors of C&W welcome the proposal to sell shares. They are shortly to recommend shareholders to adopt a new provision in the Company's Articles, conferring on the Government a Special Share which would enable Ministers to ensure the continuance of the existing provisions in the Articles limiting the shareholdings of individuals and parties acting in concert to 15 per cent of the Company's equity. If shareholders approve the proposal with the necessary 75 per cent majority, the Government will then be able to continue to guarantee the Company's independence, irrespective of its own shareholding.

*With hindsight  
this should have  
been done  
when C&W first  
sold.*

... | 5. In view of the interest expressed by the House in the BP sale, I propose that John Moore should make a short Statement on C&W after Questions on Thursday 27 October. I attach a draft.

6. I am copying this minute to Geoffrey Howe, John Biffen and Norman Tebbit.

N.L.  
25 October 1983

DRAFT STATEMENT

1. With permission, Mr Speaker, I will make a Statement.
2. As part of its continuing programme of privatisation, the Government is now considering disposal of a further tranche of its shareholding in Cable and Wireless plc during the current financial year.
3. The Government renounced control over the Company in October 1981 following the sale to the public of some 133 million shares. The Government's shareholding has since been further reduced to some 45 per cent of the Company's issued equity as a result of an issue of new shares by the Company in March 1983.
4. The Government has in mind a sale of approximately half its present shareholding through an offer for sale to the public. The precise timing and amount will be subject to market conditions. Parliamentary approval for the expenditure will be sought in a new Vote which will be presented to the House in due course. Pending that approval, the necessary costs of preparation for the sale will be met by repayable advances from the Contingencies Fund.
5. The Directors of Cable and Wireless are recommending shareholders to agree to the issue to the Government of a Special Share which will enable the Government, irrespective of its own shareholding, to ensure the continuance of those provisions of the Company's Articles of Association that limit the shareholdings of individuals and parties acting in concert to not more than 15 per cent of the issued Ordinary share capital. The Government supports this proposal, and will vote in favour of it with its own shareholding.

SECRET

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14

10 DOWNING STREET

*From the Private Secretary*

27 October, 1983

Cable and Wireless Share Sale

The Prime Minister has seen the Chancellor's minute of 25 October recommending the sale of a further tranche of Cable and Wireless shares. She is also content that this should be announced today in an Oral Statement along the lines of the draft suggested.

I am copying this letter to Brian Fall (Foreign and Commonwealth Office), David Heyhoe (Lord Privy Seal's Office) and Callum McCarthy (Department of Trade and Industry).

ANDREW TURNBULL

John Kerr, Esq.,  
H.M. Treasury

SECRET

CABLE AND WIRELESS

1. With permission, Mr Speaker, I will make a Statement.
2. As part of its continuing programme of privatisation, the Government is now considering disposal of a further tranche of its shareholding in Cable and Wireless plc during the current financial year.
3. The Government renounced control over the Company in October 1981 following the sale to the public of some 133 million shares. The Government's shareholding has since been diluted to some 45 per cent of the Company's issued equity as a result of an issue of new shares by the Company in March 1983.
4. The Government has in mind a sale of approximately half its present shareholding through an offer for sale to the public. The precise timing and amount will be subject to market conditions. Parliamentary approval for the expenditure will be sought in a new Vote which will be presented to the House in due course. Pending that approval, the necessary costs of preparation for the sale will be met by repayable advances from the Contingencies Fund.
5. The Directors of Cable and Wireless are recommending shareholders to agree to the issue to the Government of a Special Share which will enable the Government, irrespective of its own shareholding, to ensure the continuance of those provisions of the Company's Articles of Association that ..

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limit the shareholdings of individuals and parties acting in concert to not more than 15 per cent of the issued Ordinary share capital. The Government will vote its shareholding in favour of this proposition.

Prime Minister ②

You have agreed but  
might like to  
study at more  
leisure.



AT  
26/10

10 DOWNING STREET

Prime Minister

Treasury wish to make a  
statement on this tomorrow,  
orally, after the Business  
Statement. This cannot be  
delayed as rumours are  
already beginning to  
circulate in the market.

It is tiresome having to  
make oral statements in  
advance of every issue, but  
in light of BP, this is no  
time to try a Written Answer.  
Sale of 25 per cent of COW  
would bring asset sales  
to over £1.1 billion (after £290m  
Bartol second payment and £540m  
BP). With a few bits and  
pieces, Chancellor should  
reach his £1.25b target.

Agree decision and statement?

AT  
26/10

12



Foreign and Commonwealth Office

London SW1A 2AH

From The Minister of State

26 October 1983

*Dear Chancellor,*Cable and Wireless Share Sale

copy attached  
(file on blue)

You sent Geoffrey Howe a copy of your minute of 25 October to the Prime Minister. He has unfortunately not been able to see the papers today, and I am writing on his behalf.

I can certainly agree to your proposal to sell shares in Cable and Wireless. The only point of difficulty for me arises from the numbers you now plan to sell.

As you say in paragraph 3 of your minute, the overseas governments whom we have notified of our intention to sell shares have raised no objections. However, in the course of notification, we told them - as was agreed between officials of our two Departments and Cable and Wireless themselves - of our intention to retain 76 million shares (equivalent to 114 million following the recent scrip issue), just over 25% of the total number of issued shares. Your present proposal is to retain some 90 million shares (post scrip issue), or about 20%. The changes in HMG's powers and rights in the Company brought about by a reduction in the Government's holding to below 25% would not in practice be of over-riding importance provided that the Special Share is agreed. However, I would strongly prefer to stick to what we have told other governments we would do.

If there are compelling reasons to sell more shares now than was previously intended, I would not press this objection. But I should point out that although the terms of the draft statement you propose John Moore should make tomorrow are not specific, some overseas governments are likely to note the discrepancy between it and what we have said to them. This discrepancy is likely to be even more evident once the offer to sell is made public. So far, they have raised no objections to the proposed sale, and we might hope to get away with the discrepancy as 'fine tuning'. But equally, we might not, and any subsequent

/awkwardness



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awkwardness could affect Cable and Wireless - and the prospects for a second sale - as well as our bilateral relations with the countries and territories concerned.

The Hong Kong Government have expressed particular concern over this issue in the past. I have therefore thought it right to inform the Governor overnight of the possibility that you might make a statement tomorrow, and that this might involve the retention of fewer shares than previously envisaged. We shall also need to warn our posts in independent countries and tell them what to say if asked about the statement.

I am copying this minute to the Prime Minister, John Biffen and Norman Tebbit.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Brian Storr".

(Malcolm Rifkind)  
Agreed by Mr Rifkind and  
signed in his absence by  
his Asst Private Secretary

The Right Hon Nigel Lawson MP  
Chancellor of the Exchequer

S E C R E T

ELON PER - Privatisation

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CONFIDENTIAL

201



10 DOWNING STREET

*From the Private Secretary*

7 November, 1983

*Dear Calum,*

CABLE AND WIRELESS AND BRITISH TELECOM

The Prime Minister has seen your Secretary of State's letter to the Chancellor dated 28 October and the Foreign and Commonwealth Secretary's minute of 4 November. She has noted the proposal that the Chairman/Chief Executive of both Cable and Wireless and British Telecom be a British citizen. She has noted that this could be useful in countering allegations that the management of BT could fall into foreign hands.

I am sending a copy of this letter to John Kerr (HM Treasury), Brian Fall (Foreign and Commonwealth Office), Hugh Taylor (Home Office), David Heyhoe (Lord Privy Seal's Office) and to Richard Hatfield (Cabinet Office).

*Yours sincerely  
Andrew Turnbull*

(A. Turnbull)

C. McCarthy, Esq.,  
Department of Trade and Industry

CONFIDENTIAL

*Turnbull*



cc NO

DEPARTMENT OF TRADE AND INDUSTRY  
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JF4684

Secretary of State for Trade and Industry

28 October 1983

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NBPM

AT 28/10

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

D. Nigel.

CABLE AND WIRELESS

I welcome the plan described in your minute to the Prime Minister of 25 October to reduce the Government's shareholding in Cable and Wireless. It does, however, create one problem for me in connection with the Telecommunications Bill.

2 The British Telecom unions are currently mounting a campaign about the national security implications of privatization and they appear to have generated genuine concern about the control of the national telecommunications infrastructure falling into foreign hands. Kenneth Baker, who is under strong pressure in Standing Committee to publish the draft British Telecom Memorandum and articles in the next few days, considers that these should contain a provision requiring all the BT Directors to be United Kingdom nationals.

3 Similar arguments apply to Cable and Wireless. The company is the licensee of Mercury, the second national telecommunications network, and our critics will almost certainly expect the Cable and Wireless articles to contain some comparable protection for national security. The risk of public comment is increased by the fact that the Memorandum and Articles of the two companies will both be published within a week or so of each other. I would expect us to face embarrassing questions, to which there would be no satisfactory reply, if Cable and Wireless Articles contain no provision requiring at least some of the Directors to be UK nationals.

/4 Ideally ...



4 Ideally I would prefer the Cable and Wireless Articles to provide for a majority of the Directors to be UK nationals. I see, however, that Leon Brittan would be content for only the Chairman or the Chief Executive to be a UK national. I also would be content with this as a fallback. I hope that you can agree his proposal.

5 Copies of this letter go to the Prime Minister, Geoffrey Howe, Leon Brittan, John Biffen and Sir Robert Armstrong.

*Norman*  
*Tebbit*

NORMAN TEBBIT

Eizen Bot - Privatization #8.

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20 JUL 1985

## Cable and Wireless PLC

3.56 pm

**The Financial Secretary to the Treasury (Mr. John Moore):** With permission, Mr. Speaker, I will make a statement.

As part of their continuing programme of privatisation, the Government are now considering disposal of a further tranche of their shareholding in Cable and Wireless plc during the current financial year.

The Government renounced control over the company in October 1981 following the sale to the public of some 133 million shares. The Government's shareholding has since been diluted to some 45 per cent. of the company's issued equity as a result of an issue of new shares by the company in March 1983.

The Government have in mind a sale of approximately half their present shareholding through an offer for sale to the public. The precise timing and amount will be subject to market conditions. Parliamentary approval for the expenditure will be sought in a new Vote which will be presented to the House in due course. Pending that approval, the necessary costs of preparation for the sale will be met by repayable advances from the Contingencies Fund.

The directors of Cable and Wireless are recommending shareholders to agree to the issue to the Government of a special share which will enable the Government, irrespective of their own shareholding, to ensure the continuance of those provisions of the company's articles of association that limit the shareholdings of individuals and parties acting in concert to not more than 15 per cent. of the issued ordinary share capital. The Government will vote their shareholding in favour of this proposition.

**Mr. Peter Shore** (Bethnal Green and Stepney): This is yet another sorry episode in the unfolding saga of public asset stripping which the Opposition call privatisation, and the use of the public capital so released solely to meet revenue requirements. A number of questions arise from this brief and inadequate statement.

Just how much money are the Government attempting to raise by the sale of this further tranche of shares? What method of share disposal will the Minister adopt to prevent a repetition of the disgusting profit making that we witnessed the last time the major tranche of shares was sold? Will he tell us what loss of income and profit the Government have already experienced on an annual basis as a result of the disposal already of about 70 per cent. of this remarkably successful and profit-earning public enterprise which they started to demolish about two and a half years ago?

What measures does the Financial Secretary propose to take to prevent this valuable, dynamic and to some extent strategic asset from falling into foreign ownership and control? What percentage of the shares are already in foreign control and how does this special share to which the statement refers guarantee against foreign ownership as distinct from the ownership by a single firm or enterprise of more than 15 per cent.? The last major statement was from the Minister for Information Technology, who is sitting next to the Financial Secretary. The Minister then told us that it was perfectly all right to sell up to half the shares because it would still leave the

Government the overwhelmingly major shareholder. That will not be the case now—far from it. The Minister told us:

"As for foreign shareholdings, there are provisions in the articles of association that are of some value, but I shall consider that matter again."—[*Official Report*, 9 March 1981; Vol. 1000, c. 624.]

What consideration has been given to this matter? What guarantees can the Financial Secretary give that this major British asset will not be lost not only to the public Exchequer but to British national ownership?

**Mr. Moore:** It is unfortunate that the right hon. Gentleman allowed his words to ignore the reality in describing what is an outstandingly successful company before and more especially since privatisation. It might have been suitable to have started his remarks with some reference to the employees, to the company and to their success in the market places of the world. The right hon. Gentleman might have wanted to draw the attention of the House to the fact that since the company was privatised its turnover has increased by 38 per cent. and its profits have increased two and a half times. The nation will benefit by the inordinate additional tax revenue from the increase of profits. I shall be pleased to give additional details later. The profits after tax have gone up from £35.5 million in 1979 to £108.3 million in 1983. In the 1983 fiscal year, which ends in March, the Exchequer has gained £48.4 million. In the fiscal year ending in spring 1982 the Exchequer gained £37.5 million. I shall give him the additional figures of the benefits to the nation of this successful company.

I am somewhat bemused by the right hon. Gentleman's question about the capital requirement. He should be reminded of the statement of his right hon. Friend the Member for Leeds, East (Mr. Healey) on 15 December 1976 when, in relation to the sale of BP shares and the usage of the money, he said:

"There is one further step which we propose to take to reduce the public sector borrowing requirement in 1977-78."—[*Official Report*, 15 December 1976; Vol. 922, c. 1532.]

In the debate on the Budget statement the right hon. Member for Leeds, East said:

"This sale will go ahead in 1977-78, and in framing my Budget proposals I have made full use of the room for manoeuvre which it will give me."—[*Official Report*, 29 March 1977; Vol. 929, c. 262.]

From where does the right hon. Member for Bethnal Green and Stepney expect the Exchequer to receive money? I assume it is from increased taxes or increased borrowing, as opposed the actions that his right hon. Friend took when in Government.

The right hon. Gentleman also referred to the protections in relation to foreign ownership. It might interest the House to know that already 80 per cent. of the company's employees are foreigners. When the offer for sale originally took place, foreigners purchased shares.

The right hon. Member for Bethnal Green and Stepney asked about control. The controlling mechanisms to which my hon. Friend the Minister for Information Technology referred in September 1981 in relation the nature of the company's articles of association will be replaced, providing of course the special share is approved. That will give exactly the same protection. If it will be of use to the right hon. Gentleman, I shall be happy to remind him of those protections.

The company has benefited and grown from its opportunities to be free from, as my hon. Friend the

[Mr. Moore]

Minister for Information Technology somewhat unfelicitously described it, the dead hand of the Treasury. In my present role I am not sure that I can subscribe completely to that remark.

**Mr. Shore:** Will the Financial Secretary answer my first and most important question? How much money is he seeking to raise in the further asset-stripping of this important enterprise? Secondly, will he make plain what is precisely the protection against foreign domination and ownership as a result of the further disposal of so large a number of shares?

**Mr. Moore:** On the amount of money, I cannot of course be specific even about the target because it would depend on the price of the sale at the time.

I also neglected to answer the right hon. Gentleman's question about the method of sale. The method of sale has not been decided at the moment. I remind the right hon. Gentleman of the recent success of the tender method in the BP sale. I remind him of what the existing articles provide:

"Apart from Her Majesty's Government, no individual shareholder or group acting in concert may own or control more than 15 per cent. of the votes exercisable at general meetings of the company. The directors have power to require the owners' holdings that contravene the Article to sell the excess shares, or to sell such shares themselves on behalf of the owners."

Should the special meeting approve the recommendations of the shareholders including the shares of the Government, the special share, if then approved, will confer, irrespective of the Government's shareholdings, precisely the powers that protect from foreign control and changes in the articles of association.

**Mr. Tim Renton** (Mid-Sussex): Is it not only since privatisation that Cable and Wireless has changed from a slightly sleepy giant into just the type of dynamic enterprise about which the right hon. Member for Bethnal Green and Stepney (Mr. Shore) waxes so eloquently? Should not the success of the National Freight Corporation and Cable and Wireless since privatisation encourage employees in other nationalised industries such as British Telecom to seek similar freedoms for their own enterprises?

**Mr. Moore:** I could not endorse more my hon. Friend's remarks. It is especially interesting that since privatisation there has been no indication from the trade unions representing the employees of this now successful privatised company that they find relationships difficult. That is not surprising because most of the employees, happily, are now shareholders.

**Mr. Richard Wainwright** (Colne Valley): Is it not a failure of stewardship by the Government that they should become committed to this sale of a public asset before the end of the year regardless of what may happen to values in a rather volatile market? Will the Financial Secretary explain why this sale should be precipitated by unexpected delays in privatising entirely different corporations?

**Mr. Moore:** The hon. Gentleman is drawing a series of completely incorrect conclusions. I am sorry that he cannot endorse the opportunities for people in the wider market place. I am sorry that he cannot see the opportunities within privatisation for the employees, let alone for consumers. No indication was given that this was

a precipitate sale. It is part of the Government's programme of privatisation. It is part of the process that is producing successful companies such as Cable and Wireless. I would not deny its previous success, but it might have been useful for the Opposition to mention its ability to grow even faster when privatised and to secure orders for its suppliers—critical suppliers such as STC, GEC, Racal, Plessey and Taylor Woodrow, companies which revel in the orders that a more successful British company can produce.

**Mr. Michael Grylls** (Surrey, North-West): As experience shows that generally — indeed, almost without exception — the Government ownership of industries has done those industries nothing but harm, should that not encourage us to speed up allowing many of the remaining nationalised industries to have the advantage of private capital, rather than depending on the Government?

**Mr. Moore:** I look forward to the continued support of my hon. Friend and all my hon. Friends in the opportunities that can be given to growing British industries when they are able to tap the private market place and unleash the talents of all managements and employees through our privatisation programme.

**Mrs. M. Beckett** (Derby, South): In view of the housewifely exhortations to which the Prime Minister regularly treats the House and the country, will the Minister, despite his previous remarks, tell us in all candour what he would think of a housewife who continually, over a period of years, sold the family assets to finance the housekeeping budget? Will he reassure the House that the Treasury has some idea of how it will keep the finances of the country going when it has ceased having anything left to sell?

**Mr. Moore:** I do not share the hon. Lady's deprecating attitude towards housewives in our country, and I find it peculiarly sexist. I should have thought that a nation which had shown, by the unleashing of the energies of employees — not simply in companies like Cable and Wireless but, for example, in the National Freight Corporation — that increased opportunities for wealth can be so created, that would be welcomed by all. It would be extremely pleasant to hear somebody from the Opposition Benches suggest that the employees in this company who have benefited from the success are to be commended.

**Mr. Barry Henderson** (Fife, North-East): As my hon. Friend does not like the expression "dead hand of the Treasury", will he confirm that Cable and Wireless will now be released from the constraints of the public sector borrowing requirement, which might have resulted in the company not being able to invest as much as it could, and perhaps should, in its role as a major company exporting British products?

**Mr. Moore:** I should have said that I was not so much concerned with the dead hand of the Treasury; I was being somewhat particular and personal. I meant the dead hand of the nature of bureaucracy on the private enterprise spirit of a corporation. The company has been freed from that control since privatisation in September 1981. That, we believe, is a significant feature of the way in which it has exploded in terms of its turnover and profit.

**Mr. Harry Ewing** (Falkirk, East): Will the Minister accept that, although he quoted the articles, they refer only



to group in concert and that it is entirely possible for the control of Cable and Wireless to pass into foreign hands? Will he explain why, if Cable and Wireless is now so profitable, to use his words, and is providing an increasing and continuing income to the Treasury, he should be so insistent on selling off an asset that is providing such a continuing income to the Treasury?

May I press the hon. Gentleman about the Department of Industry team of civil servants who have been in Japan of late? We have an internal document to prove that a team from that Department has been in Japan trawling the Japanese money markets to encourage them to buy British Telecom when BT is privatised in October of next year. May we have an assurance that that team has not been trawling the Japanese money markets in order to buy the shares in Cable and Wireless which the Minister is about to float?

**Mr. Moore:** The Minister for Information and Technology is present and does not signify that he understood the hon. Gentleman's last remarks, but I shall try to pursue the matter. The first point he raised related to the control powers under the special share. That has not changed the nature of the protection that is already in existence; the proposal would maintain the same powers, which are regarded as sufficient by the Government.

On the question about the sale of further shares, I should have thought that it was up to the Opposition to show why the state should continue to own a minority percentage in a company of this kind without needing additional control powers. I should have thought that the Opposition would like to see the money released so that, for example, we might be better able to pay for services such as the National Health Service.

**Mr. Tim Smith** (Beaconsfield): Is it not the case that all those associated with Cable and Wireless—not just the shareholders but the employees, creditors and customers—have benefited from the excellent performance to which my hon. Friend referred, so making his further statement very welcome indeed?

**Mr. Moore:** Absolutely. All of the 10,600 employees of the company merit our attention, not just the 1,500 employees in the United Kingdom. It is to their benefit and to the benefit of the consumer that I hope we shall address our remarks. I have sought to do so.

**Mr. Ian Wrigglesworth** (Stockton, South): As one who saw the operation of Cable and Wireless from inside the Post Office and subsequently since privatisation, I join the Minister in paying tribute to the work which that company and its staff have done.

Will the hon. Gentleman explain the Government's motives more fully? As it is clear that the measure which he has announced today will not increase competition in the telecommunications industry and as it will not any further remove the dead hand of the Treasury—because privatisation has already taken place—what is the true motive of the Government in selling more of the excellent investment in this stock? Is it not selling the silver to pay the household bills, as the hon. Member for Derby, South (Mrs. Beckett) said? If this money is to be raised by the Government, will the Minister give an assurance that it will be further invested in capital assets of the sort that are now being employed in Cable and Wireless?

**Mr. Moore:** I know that the hon. Gentleman means well, but he is obviously a long way from office. One day—I pray never, but one never knows—he may have to face the reality of having to finance—

**Dr. David Owen** (Plymouth, Devonport): Answer the question.

**Mr. Moore:** I will endeavour to answer the question if those slouching below the Gangway on the Opposition Benches will be patient.

The hon. Member for Stockton, South (Mr. Wrigglesworth) may then want to consider that, while Government must spend money, they must also raise it, and the inevitable choices are between printing, borrowing and taxing. I should have thought that he would want to see a successful and free society, as opposed to the right hon. Member for Plymouth, Devonport (Dr. Owen), who mouths nonsensical phrases he learnt as a Socialist, such as "asset stripping". In creating for the employees and customers a vibrant and exciting new company, the hon. Gentleman should want us to give the public an opportunity to own even more shares in such an institution. I would have hoped that in his new-found freedom from Socialism, if that is what it was, the right hon. Member for Devonport might have joined us in this, but obviously he has not.

**Mr. John Carlisle** (Luton, North): In the past in such sales the Government have always attached great importance to the wish of employees to own shares in their company. What provision is the Minister making in this sale for that to happen?

**Mr. Moore:** As I said initially, the methods of sale have not yet been arrived at in detail.

**Mr. Tim Rathbone** (Lewes): Will my hon. Friend explain, in view of the protections to which he referred, why the Government are not planning to sell all their holding?

**Mr. Moore:** The Government must concern themselves, when it comes to the time, with the market place, the necessary needs of other aspects of the market place, the needs of their overall funding programme, the needs of the company and the position of the company. The Government will be taking all those aspects into account when it comes to the precise amount of the sale.

**Mr. Tim Eggar** (Enfield, North): In view of the obvious success of the denationalisation programmes of the previous and present Government, will my hon. Friend confirm once and for all and categorically that the Government will give top and overriding priority to further denationalisation measures of companies that at present are wholly owned by the State and will give top priority to selling off minority stakes in existing companies?

**Mr. Moore:** I can absolutely and unequivocally confirm to my hon. Friend that we shall continue to identify and prepare other potential candidates for privatisation, as this is clearly a key plank in the Government's programme of allowing competition to flow in our country and giving opportunities to the consumer. Obviously we shall continue to follow that programme.

**Mr. Shore:** This company has obviously been a major success as a public enterprise and it continues to be successful under its present private arrangement.

[Mr. Shore]

Surely the Minister can answer two specific points. First, he attaches great importance to employee involvement. What percentage of the present private ownership of Cable and Wireless is owned by the employees? Secondly, he must be able to give, if only for public sector borrowing requirement purposes, a broad order of magnitude of the sum of money which he intends to raise. If he cannot give that, there is no possible means by which the House can judge whether this is a sensible arrangement, even in the Government's own terms.

**Mr. Moore:** I cannot answer the right hon. Gentleman's first question specifically because the share position changes regularly, but I shall ensure that he has the figure. I could, of course, give a figure. I assumed that those who participate in these debates would be aware of the current price per share, which is 260p. If the Government were looking to sell up to half of their current 45 per cent. holding, and if we were to assume that there would be about 100 million shares, we would be talking about £260 million in gross proceeds. I reiterate that the specific size and the timing of the operation will depend on market conditions.

## Times Newspapers

4.20 pm

**Mr. Ian Wigglesworth** (Stockton, South): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely, "new information concerning the Government's and the House's decision in 1980-81 regarding the acquisition of Times Newspapers by Mr. Rupert Murdoch."

In January 1981 the House debated the takeover of Times Newspapers by Mr. Rupert Murdoch. Despite opposition from both sides of the House, the House agreed to accept the then Secretary of State's recommendations that the takeover should be allowed and that the matter should not be referred to the Monopolies and Mergers Commission. It did so because of the alleged financial position of the newspapers at that time and because of eight conditions that were given to the House and attached to the consent by the Secretary of State.

The former editor of *The Sunday Times* and *The Times* has alleged today that the then Secretary of State grossly misled the House in 1981 in that the financial position of the newspapers was not as he stated and, therefore, that the matter should not have been exempted from reference to the Monopolies and Mergers Commission as required under the Fair Trading Act 1973. Secondly, he has alleged that the undertakings that were given to the House in 1981 by the then Secretary of State have been broken.

If these allegations are true, the House is being treated with utter contempt by Mr. Rupert Murdoch and his company. The then Secretary of State, who is now the Leader of the House, is the person to whom we look to protect the interests of this place. He is a fair man in the House and he is known for his honourable action in this and many other matters. Surely he should have an opportunity to say whether he was misled in 1981 and whether the House should take action to ensure that the undertakings that were then given are being carried out.

The House is the guardian of the public interest, especially in respect of newspaper power. I hope that you will think it appropriate, Mr. Speaker, that an early Adjournment debate should be held to provide an opportunity for the Government to say what they feel about the allegations that have been made and their actions in 1981, and to provide the House with an opportunity of casting comment and judgment upon the undertakings that were given by Mr. Rupert Murdoch, which apparently have been broken.

**Mr. Speaker:** The hon. Member for Stockton, South (Mr. Wigglesworth) asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"new information concerning the Government's and the House's decision in 1980-81 regarding the acquisition of Times Newspapers by Mr. Rupert Murdoch."

The hon. Gentleman will have heard what the Leader of the House said during business questions this afternoon. I have listened carefully to what the hon. Gentleman said and I regret to say that I do not consider the issue that he has raised as appropriate for discussion under Standing Order No. 10. Therefore, I cannot submit his application to the House.