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AT 23/2

copy

Andrew Turnbull

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A084/604

22 February 1984

My dear Brian,

I have seen the Secretary of State for Trade and Industry's minute of 15 February, proposing that the Mercury licence should be granted to Mercury Communications Limited rather than to Cable and Wireless.

From the national security point of view I am not very happy about this proposal. The purpose of granting the licence to Cable and Wireless was not merely to provide a good legal basis for the matters with which we are concerned but also to ensure that knowledge of them could be restricted as narrowly as possible. It was argued that, if the licence was granted to Cable and Wireless (who are already familiar with activities of this kind), it would not be necessary to share knowledge of the activities with the other partners in Mercury.

I understand that the powers provided under the Telecommunications Bill provide the necessary legal basis. But there remains the question of restricting knowledge of the activities concerned, and I do not think that the new proposals meet that need.

I suggest that we should have a short meeting to consider this point.

I am sending copies of this letter to Antony Acland, Brian Hayes and Andrew Turnbull.

*Yours as
Robert*

Sir Brian Cubbon GCB

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22 JAN 1984



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HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

SIR BRIAN CUBBON ~~KCB~~ GCB
PERMANENT UNDER-SECRETARY OF STATE

1 March 1984

Dear Robert

Thank you for your letter of 22 February commenting on the Secretary of State for Trade and Industry's minute of 15 February about the licensing of Mercury Communications.

.....
The proposed transfer of the licence from Cable and Wireless to Mercury itself was discussed in January at a meeting here at which the Department of Trade and Industry, the Security Service and the Foreign and Commonwealth Office (PUSD) were represented. I attach a copy of Michael Partidge's letter of 25 January to Roy Croft which sets out the basis on which it was then agreed that DTI should proceed to seek the agreement of Ministerial colleagues to the proposed change.

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OF THE PUBLIC RECORDS ACT

I am afraid that we did not get the forewarning that we had asked for of the Secretary of State for Trade and Industry's minute. As a consequence Cabinet Office and others were not briefed in advance on the background. I hope you will agree that the matter has already been gone into thoroughly, and that there is no need for a further meeting on the subject.

Copies go to Antony Acland, Brian Hayes and Andrew Turnbull.

Yours ever
Brian

Sir Robert Armstrong GCB CVO

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HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

Mr Pilling
Mr Fulton

25 January 1984

R H F Croft Esq
Department of Trade and Industry
Ashdown House
123 Victoria Street
LONDON SW1E 6RB

cc Mr Pilling
Mr Caffarey

Dear Roy,

MERCURY LICENCE

Thank you for your letter of 30 November about a proposed change in the licensing arrangements for Mercury Communications. I am sorry not to have been able to reply sooner but we have had to consult a number of interests about the implications for them of what you propose. You will also no doubt have heard that Ian Ellison came to a meeting chaired by Joe Pilling here on 17 January, at which the matter was discussed.

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Under these conditions on which much more detailed work is needed we believe that our requirements could be met under your proposed new licensing arrangements for Mercury as well as they are under existing arrangements. We should therefore be content for your Secretary of State now to seek the agreement of Ministerial colleagues to the proposal in the usual way. I should be grateful if you could let us know when your Secretary of State is about to write, so that we can brief the appropriate private offices and Tony Duff on the handling of the correspondence.

We shall be giving thought now to the precise formulation of a direction under clause 87.

*Yours ever,
Michael*

M J A PARTRIDGE

SECRET

CC NO

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70 Whitehall, London SW1A 2AS Telephone 01-233 8319

Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A084/799

12 March 1984

My dear Brian,

Thank you for your letter of 1 March about the licensing of Mercury Communications.

In the light of your letter and the documents attached with it, I am now content that the licensing should proceed as proposed, and do not wish to press for a further meeting on the subject.

I am sending copies of this letter to Antony Acland, Brian Hayes and Andrew Turnbull.

*Yours ever
Robert*

Sir Brian Cubbon GCB

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