



Prime Minister

This letter has just arrived and we have been told that Mr. Tebbit wants to mention it in Cabinet - under industrial affairs, I suggest.

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

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2.8.

1 August 1984

The Rt Hon Viscount Whitelaw CH MC  
Lord President of the Council  
Privy Council Office  
Whitehall  
LONDON  
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D Willie,

BRITISH TELECOM : PUBLICITY

In view of your responsibilities for the co-ordination of Government publicity, I wish to bring you up to date with the efforts we will be making in the weeks ahead to ensure the success of the flotation of British Telecom this autumn.

2 Our preparatory work on the flotation is reaching a crucial stage:

- (i) BT becomes a plc this weekend;
- (ii) the Director of the new Office of Telecommunications (OFTEL) takes up his regulatory duties this weekend;
- (iii) Kenneth Baker is today announcing, in a written answer, our plans for attracting individuals to invest in BT - the value of the vouchers to be offered to subscribers for use against telephone bills and the offer, as the alternative, of extra shares for individuals who retain their shares for three years;
- (iv) a leaflet on BT, and on the flotation, is now being sent out with telephone bills inviting those interested to write in or telephone for more information.

3 In addition, on 20 August we will be starting a substantial advertising campaign on the flotation. We will be seeking to gain the public's attention - and participation in the flotation - by the use of TV, press, radio and poster advertising. This campaign will last until the flotation itself. Those who send in clip-out

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coupons from the press advertisements will receive, at the time of the flotation, copies of a "mini-prospectus" - a much shortened version of the full prospectus (you will recall that we took appropriate powers for this in the telecoms legislation earlier this year). The "mini-prospectus" will also be made available in the branches of banks and in post offices.

4 I do not doubt that opponents of the privatisation will criticise our advertising campaign. I believe that the campaign is wholly justified. Strong demand from individuals will help ensure that the Government secures a satisfactory price from City institutions for the shares it is offering. Moreover, a wide spread of shareholders is desirable not only in itself but also in the stimulus to customer satisfaction that it will provide to BT's management.

5 I am copying this letter to the Prime Minister, other Cabinet colleagues and Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Norman Tebbit', with a horizontal line underneath the name.

NORMAN TEBBIT