



to

10 DOWNING STREET

Mr. J.C. Bowden

ICL

Thank you for your minute of 15 February. Mr. Turnbull has considered your request to revise the classification of his two letters to Mr. McCarthy of 30 November and 8 December 1983. He feels that even in the light of your problems it would be inappropriate to downgrade them to 'confidential'. For the meantime they must remain 'secret'.

P. Ewing

16 February, 1984.

Information Technology Division ,
Department of Trade and Industry,
Room 538,
29 Bressenden Place,
SW1.

Andrew

Re attached note from
BTI.

Mr Bowden wants to downgrade
you two secret letters at
'x' + 'y' to confidential.

I have spoken to him to
find out why - boils down
to that whilst ~~possibly~~ he
recognises the sensitivity of
the subject, to continue with
the present classification
will cause problems with
their filing. I would have
thought that this was not
sufficient reason. Agree?

Petes 16/2 No change in date
yet -

REQUEST FOR DECLASSIFYING OR DOWNGRADING OF CLASSIFIED DOCUMENTS

<p>(1) To: <i>The Duty Officer 10 Downing Street London SW1.</i></p>	<p>213-6595 (2) From: <i>JC BOWDEN Information Technology Division Dept of Trade & Industry Room 538 29 Bressenden Place SW1.</i></p>
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May the undermentioned document(s) at present graded as shown be declassified or downgraded? ~~If so~~
 please state revised classification below. *to the classification in Col (e)?*

J. Bowden 15/2/84

(a)	(b)	(c)	(d)	(e)
DESCRIPTION (i.e. LETTER, REPORT, APPENDIX)*	DATED	REFERENCE OR SUBJECT	PRESENT CLASSIFICATION	REVISED CLASSIFICATION
<i>Letter - A Turnbull PS/PM to C McCarthy PS/SOS</i>	<i>30/11/83</i>	<i>ICL</i>	<i>SECRET</i>	<i>CONFIDENTIAL</i>
<i>Letter - A Turnbull to C. McCarthy</i>	<i>8/12/83</i>	<i>BT/ICL</i>	<i>SECRET</i>	<i>CONFIDENTIAL</i>
<i>[Large diagonal line crossing out the remaining empty rows]</i>				

* In the case of correspondence the originator's name should be quoted whenever possible

Revised classifications are shown above in Col. (e)

Date Signature

PLEASE RETURN to above address (2) after completion

SUBJECT

cc Master
Subject Econ Pot
Pt 2

SECRET



file 8
cc: Nick Owen

10 DOWNING STREET

From the Private Secretary

8 December 1983

Dear Callum

BT/ICL

Your Secretary of State spoke to the Prime Minister today about the complex of issues relating to BT and ICL. He began by explaining the background to BT's reluctance to adopt ICL for its new main management computer system. This raised important issues as failure to secure this contract would have very serious implications for ICL.

He said that, in his view, BT had not given ICL adequate opportunities to demonstrate their capability to meet BT's requirements but BT had now agreed to talk directly to ICL.

He went on to express concern about IBM's aggressive strategy which was apparently aimed at eliminating a number of its smaller competitors. He was particularly concerned at the way IBM was restricting access to its software. This created fears about technological dependence upon the US. The fact that a significant part of IBM hardware would be made in Britain would not compensate for this. The Prime Minister shared his worries about being dependent upon the US for technology. Its behaviour over the USSR pipeline illustrated the potential difficulties. She was anxious to maintain an independent computer capability in the UK provided the performance of ICL computers was good enough so that UK users would not be put at a disadvantage. Your Secretary of State said that he was grateful for this steer. He had already spoken to Sir George Jefferson and had pointed out to him that situations could arise in which there was a conflict between BT's interest and the national interest. He would expect BT to behave in the national interest.

I am copying this letter to Richard Hatfield (Cabinet Office) and Dr. Nicholson (Cabinet Office).

Your sincerely
Andrew Turnbull

Andrew Turnbull

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

SECRET

507

SUBJECT
cc Master

SECRET



File No 7
bc. NO

10 DOWNING STREET

From the Private Secretary

30 November 1983

ICL

The Prime Minister saw your Secretary of State's two minutes of 24 and 25 November. She was very grateful for his efforts in patching up the Board Room quarrel at ICL.

She has expressed concern, however, that a number of important questions remain to be resolved. For example, is it the case that the BT contract is a life or death matter for ICL? If it is, is the loss to the nation of the demise of ICL greater than the cost to BT of not having its first choice of computer system? Is there any substance in the argument that ICL have not been given a fair opportunity to make their case? How far can, or should, Ministers go in putting pressure on BT? How secure is ICL's future, even if it succeeded in getting the BT contract?

She understands that your Secretary of State is pursuing these issues but in view of their importance she looks forward to receiving his advice before any irrevocable decisions are made by BT.

I am copying this letter to John Kerr (H.M. Treasury) and to Richard Hatfield (Cabinet Office).

ANDREW TURNBULL

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

SECRET