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10 DOWNING STREET

From the Private Secretary
cc Mr Wolfson

5 June, 1979.

Disposal of Public Sector Trading Assets

I understand that the Financial Secretary's memorandum on the disposal of public sector trading assets - ED(L)(79)2 - was considered in ED(L) Committee today. This paper discusses, amongst other things, the pros and cons of selling off assets abroad rather than in the United Kingdom. One disadvantage of selling abroad which the paper does not mention is the fact that foreign sales will not have any effect on the growth of the monetary aggregates, whereas domestic sales - provided they are not a substitute for sales of gilts - generally will. This is a point which the Prime Minister has commented on, and I would be grateful if it could be taken into account in further Ministerial discussions.

I am sending copies of this letter to the Private Secretaries to the members of ED(L).

T. P. LANKESTER

Mrs. P.C. Diggle,
HM Treasury.

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