



Treasury Chambers, Parliament Street, SW1P 3AA

19 June

Sir Keith Joseph KBE MP  
Secretary of State for Industry  
Ashdown House  
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#### SALE OF PUBLIC SECTOR ASSETS

My letters of 15 May to you and other Secretaries of State who sponsor major nationalised industries were mainly concerned with disposals in the current financial year, but also referred to disposals in later years. It would now be helpful if you could give me an up-to-date view of your plans or expectations for 1980/81 and later years, on the assumption that £1 billion mentioned in the Budget Speech is realised in the current year on the lines the Chancellor has indicated.

I realise that in some cases no firm decisions or views have yet been taken, though I hope it will be possible to provide definite statements during July. Meanwhile I need to have your present views by this month. The reason is that the Chief Secretary will need to know roughly what sums we can count on for disposals in deciding what overall reductions in the inherited public expenditure plans he should propose to Cabinet early in July.

I should be grateful if your replies could cover the ground set out in the Annex for each nationalised industry or similar public corporation (including in the case of energy the AEA and its subsidiary companies), and if they could reach me by Friday 29 June at the latest or earlier if possible.

I am sending copies of this letter to John Nott, David Howell and Norman Fowler; and also to Michael Heseltine and George Younger who were not initially involved in the 1979/80 disposals exercise.

NIGEL LAWSON

CHECKLIST FOR EACH NATIONALISED INDUSTRY OR SIMILAR PUBLIC CORPORATION  
WHICH ARE CANDIDATES FOR DISPOSAL

a) Estimates for the proceeds in 1980/81 and later years of  
selling shares or assets:

i. in the whole business

ii. in particular existing or new subsidiaries or activities  
which form part of the main line businesses

iii. in non-main line businesses

iv. land or buildings.

(These estimates should not generally include proceeds already counted  
for public expenditure Survey or nationalised industry Investment and  
Financing Review purposes. But where there is a risk of double-counting,  
its extent should be indicated.)

b) The likely form this will take eg 100% or 49% of the shares and  
the degree of control the Government will retain. This information will  
make it possible for the Treasury to estimate whether the proceeds  
would be a public expenditure saving in 1980/81 or reduce the PSBR (as  
opposed to financing it).

c) A broad description of the factors which have determined the size  
and form of the proposals and of the assumptions and methods on which  
the estimates of proceeds are based.

d) The need for legislation.