



2 MARSHAM STREET
LONDON SW1P 3EB

CONFIDENTIAL

My ref:

Your ref:

6 June 1979

See copy

R
W

Following the meeting of E(DL) yesterday, I asked my Department to look very quickly at the potential revenue from land disposals in the context of your budget statement.

My officials have discussed with yours during this morning the conclusions they reached.

Without wearying you with the qualifications and problems, it seems certain that we can sell some government-owned land; and that we can secure further sales by new towns, regional water authorities etc in this financial year. With the new towns especially, we can reinforce requests by constraining their borrowing. The total figure is uncertain, but it is very likely that we can achieve £40m, including £10m of defence surplus land, with a resultant PESC saving falling to Defence.

In any event, I will proceed with the initiative to raise what I can, regardless of targets.

But I think for your purpose you can safely include a general reference to land disposal of this order in part of your statement referring to the sale of assets. I know that you do not intend to mention details.

As a gesture, I shall be announcing on Monday that I intend to sell the Vauxhall/Effra site. We hope for £2½m. Don't spend it all at once!

I am copying this to the Prime Minister, the members of E(DL) and to Sir John Hunt.

Yours ever
Michael Heseltine

MICHAEL HESELTINE

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

8 June 1979

Dear Sir

LAND DISPOSALS

Thank you for your letter of 6th June.

I am grateful for your offer to seek to achieve land disposals of £40 million in the current financial year, and I have taken this into account in my Budget arithmetic.

I am copying this letter to the recipients of yours.

Geoffrey Howe

(GEOFFREY HOWE)

The Rt. Hon. Michael Heseltine, MP