

Prime Minister to
 Pretty negative. (This will
 all go to E and E(DL))

PL
 2073

PRIME MINISTER

Very negative -
 It is not clear they
 can't do what they
 do. I will check they
 don't.

DISPOSALS PROGRAMME IN 1980/81

In his minute to you of 12 March Geoffrey Howe raises the question of a significant contribution from the energy field. I shall of course do all I can to be helpful and will proceed as you ask in your Private Secretary's letter of 18 March to mine. This note therefore comments only very briefly on Geoffrey's particular suggestions.

ENOC

The biggest contribution from the energy side will come in due course from the privatisation of ENOC. Since we cannot legislate until next session nothing will be possible for 1980-81 but we should not I think be debarred from taking account of the prospects by the precise confines of a financial year.

SEVENTH ROUND LICENCES

My paper to E Committee will set this out in full. But briefly, my view is that to go for auctioning, particularly in addition to other measures which may be taken, would be highly damaging to the prospects of the Round and all North Sea exploration and development which we are just starting to get on its feet again after changing policies of the last Government. It would also work against the interests of British and smaller firms. Furthermore, it is most unlikely that revenue from an auction could be produced in 1980/81. What I do see as a possibility, however, is a limited system of "cash bonuses" which might provide £80-100M.

WYTCR FARM

I think this can only be considered sensibly in the context of the future of BGC as a whole and the report of Norman Lamont's group which is expected within the next two weeks. Other considerations are that it would need legislation, would be strongly opposed by BGC and we could not be sure when receipts would come in.

NCB

Their subsidiaries are a rag bag, many of which are unsaleable or saleable for insignificant amounts. Our first priority must be to concentrate on the return to viability of the NCB as a whole. This is where the big money lies and I am sure we would not wish to do anything which would stand in the way of this objective. I will however pursue with Sir Derek Ezra the question of NCB subsidiaries once we have got the Coal Bill through its Second Reading.

It doesn't follow!
T2

TRC (Radiochemical Centre)

For technical reasons this is much more an outside than an inside possibility but I will of course cover this in detail in my paper to E(DL).

I am copying this note to all E(DL) members, the Minister of Transport and to Sir Robert Armstrong.

Jk.

SECRETARY OF STATE FOR ENERGY

20 March 1980

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