



Nigel Lawson Esq MP
Financial Secretary
Treasury
Parliament Street
LONDON
SW1

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From Nigel

of last

You wrote to Keith Joseph on 16 July about the Industry Bill, and most of your letter was about whether various legislative measures should be included in the Industry Bill to further the disposal of Government holdings in various bodies. You included a suggestion that in the case of British Rail, and perhaps also certain other surface transport nationalised industries, the forthcoming Transport Bill would provide an opportunity to secure the necessary powers, although you specifically recognised in the letter that the sale of business units was not my preferred way of attracting private capital.

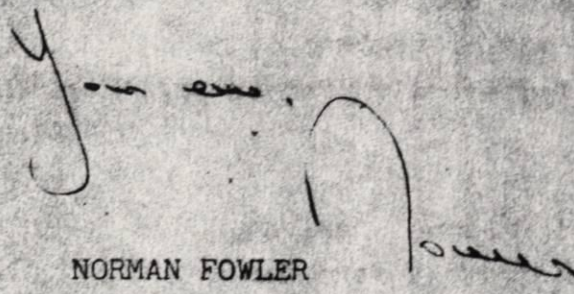
At the meeting of E(DL) on last Thursday we agreed my proposals for dealing with the National Freight Corporation. We also had a discussion about your paper which covered disposals over a wide area. In the light of that I thought I ought to send you this short note to say that I hope to be

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able to let you have my considered views about what we should do in respect of the British Transport Docks Board, and BR subsidiaries, well before the end of the Recess. But, as you recognise, I do not think that it will be appropriate to attempt to sell off particular rail business units - which would certainly risk a major rail strike. I very much hope that it will prove practicable to get a private stake in BR on a wider basis and in a way that would fit better with the second objective quoted in paragraph 8 of your Memorandum E(DL)(79)9.

I must also make the point that my Transport Bill will already be controversial, and I think it would be wrong to add to our difficulties for the sake of taking powers which I would not want to use, but which would certainly face determined opposition. I hope you will not press me on this.

I am sending copies of this letter to Members of E(DL) Committee and Sir John Hunt.


NORMAN FOWLER

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able to let you have my considered views on what should
 do in respect of the British Transport Bill. But, as you
 understand, will before the end of the year. I do not think
 recognise, I do not think that it will be appropriate to
 attempt to sell off particular rail business units - which
 would certainly risk a major rail strike. I very much hope
 that it will prove practicable to set a private stake in BT
 on a wider basis and in a way that would fit better with the
 second objective quoted in paragraph 2 of your Memorandum
 E(DL)(79)2.

I must also make the point that my Transport Bill
 will already be controversial, and I think it would be wrong
 to add to our difficulties for the sake of taking powers
 which I would not want to use, but which would certainly
 face sustained opposition. I hope you will not press me
 on this.

I am sending copies of this letter to members of
 E(DL) Committee and Sir John Hunt.

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WILKIN FOWLER

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