



c.c. M.V. WOLFSON

10 DOWNING STREET

From the Private Secretary

2 January, 1981.

The Prime Minister had a brief discussion with the Defence Secretary earlier this week about the possibility of expanding the sale of MOD land and buildings in the coming year. I enclose a letter dated 30 December from David Omand which summarises the MOD's current plans in this area.

In the course of the discussion, the Prime Minister expressed the view that more money, in addition to the £66 m already planned, might possibly be raised from this source - particularly in view of the fact that the institutions apparently would like to buy considerably more property than is currently available ; and she suggested that the MOD, with your assistance, should conduct an urgent re-appraisal of the disposal options. The Prime Minister said that she would ask you to get in touch with Sir Frank Cooper to provide whatever assistance you could.

The Prime Minister would be grateful if you could make contact with Sir Frank Cooper as soon as possible. There is considerable urgency about this because the defence estimates for 1981/82 have to be finalised in the next week or two, and the actual amounts in the estimates will need to take into account the receipts available from property disposals.

I am copying this letter to John Wiggins (HM Treasury), and also to David Edmonds (Department of the Environment), since the PSA will need to be involved in the further work which the Prime Minister has asked for, to Sir Frank Cooper, and to David Wright (Cabinet Office).

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