

CONFIDENTIAL



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From the  
Minister of State

The Hon Adam Butler MP

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer,  
Treasury Chambers  
Parliament Street  
London  
SW1

10 July 1980

Dear Geoffrey,

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10/7

SHARES FOR EMPLOYEES

Thank you for your letter of 7 July.

I recognise that you cannot agree to forgo a particular sum irrespective of the expected proceeds and I am grateful to you for suggesting that 5% should be the ceiling on the proportion of expected gross proceeds to be devoted to employee shareholdings. As you say this would enable me to implement my original proposals for British Aerospace if the present estimates are not significantly reduced, and I am content to leave the matter on that basis. I hope you will agree, however, that the 5% guideline should not preclude E(DL) from considering a higher figure in a particular case in the future, whether British Aerospace or any other, if this was necessary to secure the objective of a substantial and wide-spread employee shareholding and if this was thought likely to confer special advantages. Equally, of course, there may well be cases where a smaller figure is considered appropriate.

I am copying this letter to the Prime Minister, to Keith Joseph, to other members of E(DL), to Norman Fowler and to Sir Robert Armstrong.

Yours  
Adam

ADAM BUTLER