

PRIME MINISTER

17 July 1985

NATIONALISED INDUSTRIES

Only getting all or part of these businesses out of Government hands will succeed in stemming the cash and job losses.

Scott Lithgow shows that loss makers can be privatised. National Freight shows how employee buy-outs can reverse years of losses and decline.

British Steel

10 year record - Cost to taxpayer £7 billion (EFLs)

Job losses - workforce down 70% from 210,000 to 64,000

Why not ask that the overseas companies, some of the investments in metal recovery and steel stockholding, and the investments in UK building, construction, civil engineering and chemicals be sold?

Sell Allied Steel and Wire, Darlington and Simpson Rolling Mills, and TWIL Ltd (all good profit makers).

Develop a strategy to spin off plants and companies as freestanding private companies, preferably involving managers and employees as shareholders. Dowries should be considered.

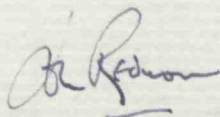
National Coal Board

Two year cost - £3 billion

Sell open-cast. Give Nottinghamshire to the miners debt-free. Meet the cash requirement for 3 years for the rest only from open-cast sale proceeds.

British Rail

Dispose of BREL.



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