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Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

seen
Prime Minister
to write

2nd July 1979

to Mr. Holt

R271

Dear Tim,

*Top copy filed on Econ. Pol
(May 79) 'PM's Meeting with
Pepper'*

DISPOSAL OF NEW TOWN ASSETS

In your letter of 18 May reporting the Prime Minister's conversation with Mr. Gordon Pepper, you mentioned, inter alia, Mr. Pepper's ideas for the disposal of new town industrial and commercial assets and the idea of a disposals organisation. This letter is simply to record that the point has certainly not been overlooked (we regard the monetary base idea as sub judice).

2. For 1979-80, the Secretary of State for the Environment offered £20 million towards the disposal of new town assets and this was taken into account in the Budget arithmetic. £20 million was thought to be the maximum that could be offered within the limitations of existing legislation, which permit the proceeds from the disposal of new town assets to be used only for the benefit of the new town which has disposed of them.

3. For the longer term, new town industrial and commercial assets will be dealt with by E(DL) Committee in the course of their survey of the prospects for disposal of public sector land and buildings. The question of new legislation will be covered in the same context, as will the case for a disposals organisation.

4. I am copying this letter to the recipients of yours.

Yours ever,

M.A.

M. A. HALL

T. Lankester, Esq.,

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