

Aerospac.

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PRIME MINISTER

cc Mr. Hoskyns
Mr. Wolfson

Shares for Employees

The Chancellor has minuted you at Flag A proposing that there should be a ceiling on shares for employees from public sector disposals - 4% of the expected gross proceeds in each case.

Mr. Butler at Flag B has argued that a rigid percentage would be wrong; and so has Mr. Howell at Flag C.

The Chancellor has now written at Flag D. ~~Secondly~~ He is prepared to raise the figure to 5%. His argument against going any higher is that this would mean forgoing too much revenue - any scheme for employees must mean selling at a discount.

I hope you will not need to adjudicate on this, and that the Chancellor and ~~sponsored~~ Ministers will be able to reach agreement. But I thought you ought to be aware of the correspondence.

12.

3 July 1980