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From the Private Secretary

25 June 1979

Dear Tony.

Disposal of Assets

The Prime Minister has considered the Chancellor of the Exchequer's minute of 22 June on the above subject, and I understand she spoke with the Chancellor about it over the weekend.

The Prime Minister does not dispute that "some £1 billion" of asset sales have to be found during this financial year. However, she is concerned about the timing and extent of the proposed sale of BP shares. In view of the state of the oil market at present, she believes it would be most unwise to go ahead with preparations for the BP sale in July. In addition, she feels that a further effort should be made to find alternative assets for disposal so that the number of BP shares to be sold can be kept to a minimum.

Accordingly, the Prime Minister has asked that no further moves should be taken on the sale of the BP shares until she has returned from Tokyo. She would then like to take the chair at a meeting of E(DL) committee to consider the question of timing and possible alternative sales further.

I am sending copies of this letter to Private Secretaries to members of the Cabinet including the Minister of Transport, the Attorney General, the Lord Advocate and Sir John Hunt.

Tom cur.

Tim Laker

A.M.W. Battishill, Esq.,
HM Treasury.

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