



Prime Minister

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The Chancellor wants  
an oil bill to pick up the  
oil parts of the

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

21 June 1983

Finance Bill

lost by the election.

Mus 22/6

The Rt Hon Viscount Whitelaw CH MC  
Lord President of the Council  
Privy Council Office  
Whitehall  
LONDON SW1A 2AT

New Lord President,

#### OUTSTANDING OIL LEGISLATION

Nicholas Ridley mentioned at Legislation Committee this morning the need for early legislation to deal with important oil taxation measures which were announced in Geoffrey Howe's Budget Speech and included in the original 1983 Finance Bill, but which could not be included in the pre-Election Finance Act 1983 or our short summer Finance Bill.

The measures concerned are designed to give valuable additional petroleum revenue tax relief for expenditure in the North Sea on shared assets such as pipelines, as well as bringing various receipts - such as pipeline tariffs - into charge. It is important for the next phase of North Sea development that sensible sharing arrangements should be encouraged, and not impeded, by the tax system. The proposals were originally set out in a consultative document published in May 1982, and are to take effect from 1 July 1982. The industry are anxious to know where they stand, and there is a real risk that desirable developments currently under discussion could be delayed or even jeopardised if uncertainty were allowed to continue. So I think it is highly desirable to legislate this year, and I know that Peter Walker agrees. The industry are keenly awaiting an announcement of our intentions and I would like to include one in my speech during the Queen's Speech debates.

I fully understand your concern about the weight of new business to be introduced in the autumn, and the risk of over-loading then. I gather that, in a discussion with the Whips following L, the suggestion was made that, to reduce autumn congestion, the Oil Taxation Bill might be introduced in July (hung on a PRT resolution which could be tabled very quickly with other resolutions required for the summer Finance Bill), and that one might aim to complete Second Reading before the recess. This would be a tight timetable for publication, since there is still a good deal of drafting to be completed, and it would

/inevitably mean



inevitably mean rather more tidying up at Committee Stage by Government amendments than would be necessary if publication of the Bill (following the publication of revised draft clauses in late July) were deferred to the early autumn. But if you and John Biffen, and the Whips, were to feel that it would significantly ease the autumn problems, I would certainly be prepared to follow this route rather than going for a Bill to be first introduced in the autumn.

I understand that arrangements for tabling the resolutions, and issuing an accompanying Press Release, would have to be finalised tomorrow afternoon. So I should be most grateful if you could confirm that you have no objection to this course, and if John Biffen and John Wakeham could let me know that they too would be content with it, as soon as possible.

I am copying this to Peter Walker, John Biffen, John Wakeham and other colleagues on L, and also to the Prime Minister and Sir Robert Armstrong.

*Yours sincerely,*

*J. B. Kew*

MP NIGEL LAWSON

*(Approved by the Chancellor)*

21 June 1983



21 June 1983



21 June 1983



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

R Whalley Esq  
Private Secretary to the Lord President  
of the Council  
68 Whitehall  
LONDON  
SW1

29 June 1983

Dear Bob,

pm's Box

The Lord President wrote to the Chancellor of the Exchequer on 27 June about the place of the Oil Taxation Bill in the legislative programme.

You now know, of course, that it has been announced that the Oil Taxation Bill should be introduced in the autumn, and we understand that the Lord President will be drawing attention to this commitment when putting the legislative programme to Cabinet.

I am copying this to the private secretaries of those to whom your letter was copied.

Yours sincerely,

Judith

JUDITH SIMPSON

Energy  
Policy 1988





(2)

*Lawson*

Prime Minister

PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON, SW1A 2AT

*MS 28/b*

27 June 1983

*ms*

*Dear Nigel*

OUTSTANDING OIL LEGISLATION

Your letter of 21 June suggested that, in order to avoid congestion in the legislative programme in autumn, the Oil Taxation Bill which you need should be introduced in July. John Biffen, in his letter of 22 June, has pointed out that to attempt to introduce this Bill, with its attendant Ways and Means Resolution, now would complicate the handling of the negotiations about the Finance Bill. In the circumstances, he would prefer to delay the tabling of the necessary Ways and Means Resolutions and the introduction of the Bill until after the Summer Adjournment.

I must say that I agree with his view and also with his suggestion that, if it would be helpful, a firm assurance of legislative action on oil taxation might be given in the course of the Second Reading debate on the Finance Bill. If you are content with this approach, I will suggest to QL Committee that an Oil Taxation Bill is included in the programme to be presented to Cabinet.

I am copying this letter to John Biffen, Peter Walker, John Wakeham and other members of L Committee and also to the Prime Minister and Sir Robert Armstrong.

*John Biffen*  
*P. Walker*

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer

Energy 71  
Policy p+8

28 JUN 1983

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Prime Minister (4)

Prime Minister (4)

The LPS

wants to defer the oil legislation until

MS 23

Privy Council Office  
Whitehall  
LONDON  
SW1A 2AT

after the Recess.

MS 23/6

24 June 1983

Dear Wilkie,

ms

attached

I have seen a copy of Nigel Lawson's letter to you of 21 June about further legislation on oil.

I fully understand the need for legislation to enact the commitments given at the time of the Budget and accept that time will have to be found for a Bill this Session. I do not believe, however, that the best course would be to table Ways and Means' Resolutions and to proceed to Second Reading of the Bill before the Summer Recess. In the first place I think this might serve only to complicate the handling of the Finance Bill. I have already explained to Peter Rees the difficulties we face in seeking to deliver the Finance Bill before the summer and would wish to avoid any action which might undermine our objective. Moreover, I understand that the drafting of an Oil Taxation Bill is unlikely to be complete before the end of July and to rush the Bill's introduction would mean additional difficulties in Committee in the autumn.

Since I understand that enactment of an Oil Taxation Bill is not required until the end of the year, I would prefer to delay the tabling of the necessary Ways and Means' Resolutions and the introduction of the Bill until after the Summer Recess. If Nigel believes that it would be helpful, I see no objection to a firm assurance of legislative action on oil taxation being given in the course of the Second Reading Debate on the Finance Bill.

I am copying this letter to Nigel Lawson, Peter Walker, John Wakeham, and other members of L Committee and also to the Prime Minister and Sir Robert Armstrong.

John Biffen

JOHN BIFFEN

The Rt Hon Viscount Whitelaw CH MC  
Lord President of the Council  
68 Whitehall  
LONDON SW1A 2AT

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