



Prime Minister
Britoil themselves are anxious
for HMG to sell to end uncertainty
Agree this proposal?

AT
30/4

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

30 April 1985

The Rt. Hon. Peter Walker MBE MP
 Secretary of State for Energy

[Handwritten signatures]

SPECIAL SALE OF ASSETS 1985-86: BRITTOIL

You wrote to me in December about the sale of our residual shareholding in Britoil, and in my reply I fully accepted the points you made about the desirability of such a sale.

It was not, of course, possible to sell oil shares ahead of the Budget but I now think we have the right opportunity. The slippage of the British Airways sale has created a spare place in the Bank of England queue at the end of July and I would like to use this to dispose of our entire residual holding, apart from the shares needed to provide the small shareholder bonus. Philip Shelbourne would be quite content with such a disposal. The proceeds would be about £500 million.

The organisation of the sale would need to start immediately and I would therefore like to announce our intention to the House as quickly as possible, although I would not specify the precise date. We need to avoid a clash with your likely announcement on BGC so, subject to any comments you or the Prime Minister may have, I propose to table the attached PQ for answer on Thursday 2 May.

I am copying this letter to the Prime Minister. I would be grateful if it could be retained in Private Offices until after the announcement.

NIGEL LAWSON

[Handwritten signature]
Nigel

SECRET AND PERSONAL

DRAFT WRITTEN PQ

To ask the Chancellor of the Exchequer about his plans for the Special Sales of Assets programme.

DRAFT REPLY

It is the Government's policy to sell its residual holdings in privatised companies as and when circumstances permit. As part of this policy I now intend to offer for sale this year the whole of the Government's residual holding in Britoil, apart from those shares needed to pay out the small shareholder bonus.



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L02 ADR

10 DOWNING STREET

1 May 1985

From the Private Secretary

SPECIAL SALE OF ASSETS 1985-86: BRITOil

The Prime Minister has seen the Chancellor's letter of 30 April and is content with his proposals.

I am copying this letter to Michael Reidy (Department of Energy).

ANDREW TURNBULL

Mrs. Rachel Lomax,
H.M. Treasury.

SECRET AND PERSONAL

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SECRET AND PERSONAL

Copy No 2 of 3



SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

Miss Margaret O'Mara
Private Secretary to the
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

1 May 1985

Dear Margaret

SPECIAL SALE OF ASSETS 1985/86: BRITOIL

The Chancellor wrote to my Secretary of State about this yesterday, 30 April.

I am writing to confirm that my Secretary of State is content with the terms of the draft Parliamentary question and answer and for the Chancellor to proceed as he proposes.

A copy of this letter goes to Andrew Turnbull at No 10.

Yours sincerely

Philip Evans

P R EVANS
Private Secretary

SECRET AND PERSONAL