

CONFIDENTIAL

P.0494

PRIME MINISTER

THE ECONOMIC IMPACT OF NORTH SEA OIL AND GAS REVENUES

MISC 56(81)10

BACKGROUND

In earlier discussions of the Group it was suggested that the Government should do more to rebut criticisms of its energy pricing policy - and help present any new measures - by a more vivid explanation of the ways in which North Sea revenues were already benefiting industrial investment and recovery. The paper by the Chancellor of the Exchequer, MISC 56(81)10, sets out to do that.

HANDLING

2. This paper should not require substantive discussion. You might ask the Chancellor of the Exchequer to say briefly how he thinks the arguments in it could best be used. He might, for example, wish to make it generally available to Members of Cabinet so that they could draw on it in speeches. Other members of the group will wish to say whether they are satisfied with its approach.

CONCLUSIONS

3. Subject to any dissenting comments the Group can simply take note of the paper. You will also wish to record any points on the further use to be made of it.

A handwritten signature in blue ink, appearing to be 'P Le Cheminant', written in a cursive style.

P Le CHEMINANT

Cabinet Office

9 June 1981