



NB PM NT 8/2 EENO

PRIME MINISTER

I have seen Peter Walker's minute to you of 31 January, on which Nigel Lawson and Geoffrey Howe commented on 4 February. Your Private Secretary's letter of 5 February recorded your conclusions with which I agree.

2 Industry's interests are in ensuring adequate and secure supplies of gas for the foreseeable future, at realistic but not excessive prices, and vigorous development of our indigenous resources on the UK continental shelf. These requirements seem to point towards a limited level of gas imports, whether from Norway or elsewhere, combined (if this is sustainable) with a controlled gas export regime. The full Sleipner deal on offer is not now attractive, and it should be rejected. I am therefore content with the draft statement attached to Peter Walker's minute to you of 7 February.

3 I am sending copies of this minute to Geoffrey Howe, Nigel Lawson, and Peter Walker, and to Sir Robert Armstrong.

NT

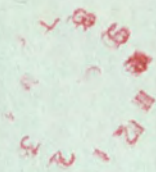
8 February 1985

Department of Trade and Industry

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Nat Ind: Gas + Elec Pt 10



1-8 FEB 1985

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