PRIME MINISTER

ENERGY CONSERVATION - MINISTERIAL COMMITTEE

In response to pressure from the Select Committee on Science and Technology our predecessors publicly announced in 1976 the appointment of an informal committee of Junior Ministers, under Energy chairmanship, to promote energy conservation. Its terms of reference were "to promote and encourage energy conservation both within Government and outside it and to co-ordinate the activities of Departments in carrying out the Government's energy conservation programme".

The Committee met as a "ginger group" outside the formal structure of Cabinet Committees and did not have executive authority. Latterly, it also monitored the implementation of the Government's energy conservation programme which is concentrated in the public sector and financed to some degree out of savings made in the early years of the programme.

The long term need to use energy efficiently and to cut out waste has now been reinforced by the short term need to reduce demand for oil. Price will play a decisive part, both in industry and the domestic market. Indeed it is already doing so. And there is a very great deal that organisations and institutions right outside government, can and will do to help commonsense adjustment to an era of even higher fuel prices. But it is also vital that the public sector gives - and is seen to give - a strong and effective lead.

Obviously, inherited committee arrangements of this kind should be closely questioned. But in this case I believe that there should be substantive as well as presentational advantage in retaining the Committee under John Moore's chairmanship with revised terms

of reference to take account of our current obligations to reduce oil demand. The new terms of reference, I suggest should be: "To promote the efficient use of energy; to monitor implementation of the Government's energy conservation programme; and to ensure an effective public sector response both to the immediate need to reduce oil demand and the longer term requirement for the economic use of energy generally". I hope you will agree to my inviting colleagues directly concerned to nominate a member of the team to serve on the Committee. Copies of this letter go to Christopher Soames, Geoffrey Howe, William Whitelaw, Peter Carrington, Mark Carlisle, Keith Joseph, Michael Heseltine, Humphrey Atkins, George Younger, Nicholas Edwards, A. Maude, Francis Pym, Jim Prior, Patrick Jenkin, Peter Walker and Norman Fowler, and also to Sir John Hunt. Jaux Men SECRETARY OF STATE FOR ENERGY S JUNE 1979

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