10 DOWNING STREET

8 May 1979

From the Private Secretary

The Prime Minister has given some preliminary consideration to the various energy issues which the new Administration will have to tackle. She would be grateful if your Secretary of State, in consultation with interested colleagues, would let her have an early note setting out the main issues which will have to be dealt with and also setting out a timetable for bringing them forward for collective consideration. The Prime Minister has herself picked out two issues on which she would like reviews to be got underway as soon as possible: firstly, she would like to have a review from your Department and the Department of Industry on the prospects, and scope for early rationalisation, of the two turbine manufacturers; secondly, she has asked for an urgent review of BNOC and its possible future role. Linked to the question of BNOC is the future of the existing participation agreements with the private oil companies, and the Prime Minister has asked for advice in due course on what the Government attitude should be to them - taking into account the point that there appears to be some doubt about their legal validity.

As I have already mentioned to you, the Prime Minister would like to pay a visit to your Department before Parliament rises for the recess; we will be in touch with you to arrange a suitable time and date.

> I am sending copies of this letter to Tony Battishill (Treasury), Andrew Duguid (Department of Industry), Tom Harris (Department of Trade), Paul Lever (Foreign and Commonwealth Office), Eric Sorensen (Department of Environment), Ian Fair (Department of Employment), Kenneth MacKenzie (Scottish Office), George Craig (Welsh Office) and Martin Vile (Cabinet Office).

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