

Prime Minister

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PRIME MINISTER

FUEL STOCKS AT POWER STATIONS

The note

You agreed that the SSEB be authorised to import coal subject to consultation with the Government over amounts. Are you content with X?

The 22/6

In his minute to you of 11 June, on which I have now seen your comments, the Secretary of State for Scotland proposed that, subject to the views of Department of Energy Ministers, he should inform the South of Scotland Electricity Board that the Government would not stand in the way of imports during the current year provided that we were consulted before the Board entered into any contract extending beyond the current financial year or if imports during the current year seemed likely to exceed 0.5m tonnes.

I understand that the NCB and the SSEB have now reached agreement on supplementing of Scottish coal production with 125,000 tonnes of coal from the North East of England. In the light of this the NCB are raising no objection to the SSEB's present plan to import 100,000 tonnes of coal this year.

This seems to me a sensible and defensible outcome. However, the level of imports of coal continues to be a sensitive one for the coal industry requiring carefully co-ordinated handling if we are to achieve our aims. I suggest therefore that the SSEB should be asked to consult further if they propose to increase the level of imports this year above the 100,000 tonnes for which they are now contracting.

X 11

I am copying this minute to the Secretaries of State for Scotland, Industry and Employment, the Chief Secretary, the Minister of Transport and Sir John Hunt.

David Hunt

SECRETARY OF STATE FOR ENERGY

22 JUNE 1979

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VLB



10 DOWNING STREET

cc SO
D/I
D/M
CST
DOE (Tpt)
CO

From the Private Secretary

25 June 1979

The Prime Minister has considered your Secretary of State's minute of 22 June about the South of Scotland Electricity Board's plans to import 100,000 tons of coal this year. She agrees that the S.S.E.B. should be asked to consult further if they propose to increase the level of imports above this figure.

I am sending copies of this letter to Kenneth MacKenzie (Scottish Office), Andrew Duguid (Department of Industry), Ian Fair (Department of Employment), Alastair Pirie (Chief Secretary's Office), Genie Flanagan (Office of the Minister for Transport) and Martin Vile (Cabinet Office).

T. P. LANKESTER

W. Burroughs, Esq.,
Department of Energy.

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