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DEPARTMENT OF TRANSPORT 2 MARSHAM STREET LONDON SWIP 3EB

The Rt Hon David Howell MP Secretary of State for Energy Department of Energy Thames House South LONDON SW1

8 June 1979

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Thank you for your letter of 31 May about oil demand restraint. I have also seen your minute to the Prime Minister of 6 June with the statement to the press on the current energy situation. Perhaps you would regard this letter as an interim reply to the former, in the light of the latter.

First, as regards the nationalised transport industries, my Department has, under the programme for oil saving we inherited, been in touch with the Chairmen of the nationalised transport industries about this. It will be necessary to look for more specific undertaking from them than we have so far received, and, as you say, to seek measures that go beyond mere good housekeeping. I shall be taking this up with them following your statement.

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Second, as regards public transport, you will already know of the difficulties that bus operators and British Rail are experiencing as a result of shortages of diesel fuel. I accept that we can do no more at present than to recommend that public transport operators maintain the closest possible contact with their suppliers to ensure the best level of supplies they can get. But I warmly welcome the informal arrangements your Department has been running with the Confederation of Passenger Transport Operators to deal with urgent cases of difficulty. If, in spite of these precautions, some services have to be cut back, I shall be recommending that this should as far as possible be done in ways that minimise inconvenience to the public, and that operators should where appropriate seek to consult local authorities in advance.

But there is one immediate supply problem I should be particuarly glad if you would look at right away. With the prospect of the London Transport Underground Strike on 18 June it will be crucial to ensure that there are no fuel supply difficulties for London's buses of British Rail commuter services into London at that time. More generally, you may also want to look at the whole vehicle fuel supply situation for London in the event of a strike. Perhaps we can discuss this point further at the CU meeting next Tuesday.

Third, as regards drivers, I believe that there is a lot more that we can do to bring home to people the scope for fuel savings. Between them the car and the lorry account for some 90% of all oil used in transport. The scope for savings here are therefore much higher than they are for public

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transport. I would be glad of an opportunity to join in your discussions with the Freight Transport Associations, the Road Haulage Association, the Motor Agents Association and the AA and RAC. I shall in any case be in touch with some of these about contingency planning for June 18.

I shall be going on record right away with some advice to the motorist about the scope for conservation. This will be relevant both to the immediate prospect of the London Transport strike, and more generally, although I shall avoid any reference to the London position in my remarks. One point I shall be emphasising is that more careful driving and better maintenance of vehicles makes obvious sense. I also propose to point out that people should think twice about getting their cars out at all. But if they do need to travel by car then they should, wherever possible, share their cars. Quite a lot can be done by way of car-sharing under existing law without running up against the licensing rules and I am planning a publicity campaign about this. But my proposals for a Transport Bill would enlarge the scope for this and I hope you will support me in seeking an early place in the legislative programme to get these proposals through.

I do not believe there is a case, in present circumstances, for compulsory measures affecting the motorist such as stricter speed limits, but I shall encourage slower driving and illustrate the advantages by a few striking statistics. For example, the average family car uses 36% more fuel at 70 mph than at 50 mph. Finally, I believe more people could be encouraged to leave their cars at home and instead make effective

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use of the public transport available - although here we have to be careful how this message is put over in view of the cuts in public transport services that many people will be experiencing.

I shall be commenting on these lines over the weekend. I hope to let you have a copy of the text later today. Meanwhile I agree with your general line that there is nothing to be gained at present by seeking to invoke emergency powers either to allocate supplies or to impose compulsory restrictions on the use or sale of fuel. I do, however, attach importance to the remark in your statement that your Department will continue to be ready to intervene with supplies on specific problems of short supply and difficulty.

I am copying this letter to the Prime Minister, other Cabinet colleagues, and to Sir John Hunt.

NORMAN FOWLER