



10 DOWNING STREET

From the Private Secretary

Handwritten notes: "Cabinet + others." and "Energy" with initials "HS".

Handwritten note: "6/15-6.79" underlined in red.

6 June 1979

Dear Bill,

Energy

The Prime Minister was grateful for your Secretary of State's minute of 25 May about oil supplies and his minute of 31 May about fuel stocks at power stations. She has also seen a copy of his letter of 31 May to the Lord President about oil demand restraint, and also the Minister of Agriculture's letter of 31 May about oil supplies for food production and distribution. In addition, she is aware of the reductions in British Rail services which will be starting from next Monday on account of the cut in fuel deliveries, and she understands that the Ministers most closely concerned are considering the question of coking coal imports for BSC.

Having considered these papers, and having noted that the current position is in several respects far from satisfactory, the Prime Minister believes that there is an urgent need for an agreed factual appraisal of the energy supply prospect for the UK over the next 12 months focussing particularly on oil and coal; the scope for action; and a realistic display of the options. Since a number of Departments have an interest in this, the Prime Minister has asked that such an appraisal should be prepared by an inter-departmental working group under Cabinet Office chairmanship. The following Departments should be represented on this group: Energy, Trade, Industry, Scotland, Transport, the FCO and the Treasury. The CPRS will also be represented. The Prime Minister would like the Group's report to be completed by Friday 15 June.

I am sending copies of this letter to the Private Secretaries to the members of Cabinet including the Minister of Transport, Gerry Spence (Central Policy Review Staff) and Martin Vile (Cabinet Office).

Handwritten signature: "Tom" with initials "mv".

Handwritten signature: "Tim Latham".

W.J. Burroughs, Esq.  
Department of Energy

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