



Ref. A04678

PRIME MINISTER

No - ! will chair the group.
Amu comparison
mt

Energy Prices

The Ministerial Committee on Economic Strategy decided this morning to narrow down the range of options to be pursued to

- (1) a reduction of the duty on derv in the Committee Stage of the Finance Bill;
- (2) something on electricity prices for intensive energy using industries, preferably by adjustments of the tariff structure;
- (3) foundry coke

and to remit these subjects for further study by a small group of Ministers.

2. This group may well need two or three meetings, but will not need, I think, to be a permanent body. I recommend therefore that it should be a MISC group, not a new Sub-Committee of E.

3. My impression this morning was that the Chancellor of the Exchequer would like to chair the group, and was thinking in those terms. You may well want to chair it yourself. But there are three reasons why it might make sense to leave it to the Chancellor;

- (i) the group will almost certainly need to meet while you are away;
- (ii) your diary is already very full between now and the time of your departure;
- (iii) there may be something to be said for your not being in the chair of the small group, so that you may be, and be seen by your other colleagues to be, uncommitted to its recommendations when they come back to E.

4. The group should clearly include, besides the Chancellor, the Secretaries of State for Industry and Energy. As it will be concerned with issues of Parliamentary tactics on derv, the Chancellor of the Duchy ought to be on it. The Secretary of State for Scotland is the sponsoring Minister for the Scottish electricity boards, and I believe could make a useful contribution. I doubt



whether the Secretary of State for Employment need be included, unless you want to add him for political reasons. Suggested membership, therefore:

- Chancellor of the Exchequer
- Secretary of State for Industry
- Chancellor of the Duchy of Lancaster and Paymaster General
- Secretary of State for Scotland
- Secretary of State for Energy
- Mr. Ibbs

5. I suggest that each Minister should be able to bring one official with him.

Why? — Speak to the
Prime Minister
who might
let her out
to arrange
in having
expert advice
available;
and
So.

RA

ROBERT ARMSTRONG

Prime Minister.

8th April, 1981

Do you wish to take the chair? or
are you happy to leave it to the
Chancellor?

Content with the proposed membership
otherwise?

Agree the group should be a MISC
group, rather than a sub-committee of it?

RA
SN.