



## SECRETARY OF STATE FOR ENERGY

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The Rt Hon Peter Rees QC MP  
The Chief Secretary  
HM Treasury  
Whitehall  
LONDON SW1

*14 August 1984*  
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*Dear Chief Secretary*

You will know that we are involved in a major energy efficiency campaign in which we anticipate that over the next five or six years we can reduce the energy costs of industry by up to £2 billion per annum.

I had planned a constant campaign over these years, but in discussing this matter with the Prime Minister I put to her the view that it was essential substantially to step up the campaign at the commencement of this winter.

There will of course be major benefits to our endurance at the power stations if we can persuade industry and the domestic user quickly to activate the range of things they are able to do profitably in order to reduce their energy costs. Every 1% reduction in electricity consumption secured and sustained through the winter is equivalent to a saving of 20,000 tons of coal a week.

The CBI have promised to assist in this, though obviously for their support to be effective the Government itself must take a positive lead.

I therefore propose to increase my advertising budget in this sphere, and spend something of the order of £3 million, primarily at the beginning of the winter. I anticipate that I will be able to find most of this money by making savings elsewhere within my total cash limit for Department expenditure in 1984/5. Given the contribution to endurance and what is at stake for public expenditure and the economy, I imagine you will see no difficulty about my using savings for this purpose. Should there be any risk of a small excess over the savings I make I will, of course, immediately write to you.

I am copying this letter to the Prime Minister, the Lord President, the Chancellor of the Exchequer and Robert Armstrong.

*Yours sincerely*  
*Michael Heslop*

for PETER WALKER

Approved by the Secretary of  
State and signed in his absence