At our last meeting (CP(73) 58th Conclusions, Minute 7) the Cabinet invited me to circulate a paper on the further measures which might be taken to economise in the use of fuel.

**Objectives**

2. CP(73) 133, the note by the Secretary of State for Trade and Industry on oil supplies to power stations, concludes that, on the worst assumptions on supplies of coal and oil - and if demand for all sources of fuel remains at its present level - a very serious situation would arise in early February. There would be widespread electricity disconnections and some oil consumers would be without supplies for a period.

3. This paper considers measures to reduce demand for all types of fuel so as to postpone the date at which this situation would arise and so as to minimise the damage to industrial production and the distribution of essential goods, to reduce hardship to individual firms and companies and to avoid gross inequities, but yet to bring home to the public the seriousness of the position and the need for all measures of conservation.

**The Present Situation**

4. So far we have arranged for the oil companies to cut supplies of both fuel oil and petrol by 13 per cent (10 per cent on last year's consumption) and we have made a general appeal for voluntary savings of a similar amount. We have also prohibited the use of electricity for display lighting and flood lighting and for the heating of commercial and other similar premises, and we have made an anti-hoarding Order. To some extent these measures overlap.
Possible Further Measures

5. A wide range of further measures has been suggested, both voluntary and statutory. Leaving aside petrol rationing, those of which I am aware are listed and discussed briefly in the Annexes, Annex A consisting of those which seem to me to be the most realistic and Annex B of other possibilities considered but not recommended.

The Criteria for Assessment

6. One key factor is how effective the various measures will be. The Annexes give the available information about the savings from each measure, but they are very difficult to assess with confidence or accuracy. In some cases a realistic assessment is clearly impossible. Some measures, for example Orders to limit the use of domestic heating, seem to be unenforceable, even if we took the undesirable step of taking powers of forceable entry into people’s homes. But the importance of savings on the domestic front makes it essential that there should be further appeals for voluntary co-operation in the home.

7. This brings us to the impact on public opinion. The Fuel and Electricity (Control) Bill will give us wide powers over the supply and use of fuel, but any measures we adopt will succeed only if public opinion is convinced of the need. They must also be equitable, between users not only of particular fuels, but all fuels. We must maintain, as far as possible, a balance between sacrifices imposed on the general public, cuts in the public sector and reductions in industry. To what extent ought we to tilt that balance in favour of industrial production? We shall in any event need to ensure the careful public presentation of any further measures. Will public opinion demand restrictions where, although the savings would be insignificant, the consumption of fuel is conspicuous, eg motor racing?

8. Then there are the administrative problems. Taking into account that we may need to introduce petrol rationing anyway, and that we are almost certainly going to need a more sophisticated, and therefore a more complicated, system of oil allocation, both of which require substantial numbers of staff to deal with priority cases, exemptions, appeals, etc, we must ensure that the Government machine will be able
to cope with further measures requiring control of fuel supply or consumption.

9. It is perhaps most convenient to consider the measures set out in Annex A under three headings, those which control supplies and those which reduce demand, which in turn can be sub-divided into the restriction of use and persuasion, including the control of prices.

a. Control of Supplies

10. We should consider whether the time has yet come to introduce further control over the supplies of fuel at source. Some problems are already emerging under the system of 10 per cent cuts in allocation by the oil companies. The Secretary of State for Trade and Industry is considering if and when we should intensify the level of cut with, as necessary, a wider priority list of industries. He will be making separate recommendations on restrictions on electricity supply on a planned basis, the scope for which is limited during the ban on stand-by duties by the power engineers. The supply of coal can be readily controlled at source, but the present objective is to keep a maximum flow moving down the distribution line, while preserving distributors' stocks for possible priority allocations. Some limited control of gas supplies may be justified, to ensure the maximum availability at the two power stations which can operate on gas and to preserve naphtha for other purposes. We must, however, also consider how long the 10 per cent cuts in deliveries of motor spirit to dealers can be maintained without the need for rationing.

b. Control of Demand

11. If we wish to ration motor fuel, the earliest this could now start is 20 December. To enable people to decide whether they need to apply for business and/or supplementary coupons we should have to announce our decision at least a week ahead, and at the same time give details of the size of the rations. This means a decision before 13 December if rationing is to start before the New Year.
12. Whether or not we want to introduce petrol rationing before the New Year there is a strong case, at least on psychological grounds, for adopting other measures to restrict consumption of the various fuels. There are a wide range of measures which can be taken. Those which have been principally canvassed, and some others, are discussed in the Annexes. Some can be the subject of Government control, others must depend on an appeal for voluntary co-operation. We would clearly not want to introduce controls related to the consumption of motor spirit if we were likely to decide to introduce petrol rationing quickly, but further appeals for voluntary co-operation in savings in these fields, to supplement the other measures, would still be possible.

c. Rationing by Price

13. Demand can be restricted by price increases, but changes in the relative price of fuels may have to be substantial to have a significant effect. But price or tax increases have implications for industrial costs and consumer prices and so for our counter-inflationary policy. A higher tax on petrol could be offset by a reduction in, or even the abolition of, the road fund licence fee. I am aware of the difficulties in the latter course, but it may merit examination at the present time especially.

14. It is clearly important that we do not overlook longer-term measures to conserve fuel, for example the more efficient burning of coal and oil, and the better insulation of buildings. I understand that the Central Policy Review Staff, in consultation with the Department of Trade and Industry and the Department of the Environment, expect to be bringing forward proposals for longer-term measures to conserve fuel supplies in about a month's time.

Conclusions

15. On the information in CP(73) 133 there is a real risk we shall be reaching the minimum safe level for oil supplies and for coal stocks at power stations during early February. We must take a further decision very shortly on petrol rationing. In addition, as a prelude to the much more severe measures which it is evident may have to follow if we are to survive the winter without severe disruption, we must now take such further conservation steps as we can. At the same time, we must launch a further national appeal, supported by another publicity campaign, to secure public support for the voluntary effort we require in the saving of all fuels. We must also support this appeal by action, where possible, to demonstrate the savings being achieved.
Recommendations

16. I recommend that we should:
   
   (1) Take a decision before 13 December on whether petrol rationing needs to be introduced before the New Year. This would provide time, if the decision were to do so, to make an announcement about the size of the ration before the issue of business and/or supplementary rations starts.
   
   (2) Now take the necessary steps to introduce the measures for the conservation of fuel set out in Annex A. If we decide before 13 December to ration motor spirit the action on No. 3 (the reduction of deliveries), No. 5 (stopping motoring on Sundays) and No. 6 (a maximum 50 mph speed limit) should be confined to appeals for voluntary co-operation.
   
   (3) At the same time launch a further campaign for voluntary savings in all fuels.

J P

Privy Council Office

3 December 1973
<table>
<thead>
<tr>
<th>MEASURE</th>
<th>SAVING</th>
<th>DISADVANTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ban all office and commercial heating above a certain temperature (whatever fuel)</td>
<td>1% reductions should be possible - all fuels</td>
<td>Fuel &amp; Electricity (Control) Bill when enacted</td>
</tr>
<tr>
<td>2. Reduce shops to a 5 day week (enforce full closing on one day, no mid-week half day)</td>
<td>at least 10% Coal, Oil, Gas, Electricity</td>
<td>Reduce deliveries to shops and customers (including Post Office mail deliveries after the Christmas period)</td>
</tr>
<tr>
<td>3. Reduce deliveries to shops and customers (including Post Office mail deliveries after the Christmas period)</td>
<td>saving in fuel</td>
<td></td>
</tr>
<tr>
<td>4. Turn out motorway and some street lights</td>
<td>50% saving light = 50% saving fuel</td>
<td></td>
</tr>
<tr>
<td>5. Stop motoring on Sunday</td>
<td>5-10%, (0.8m-1.6m tons of oil)</td>
<td></td>
</tr>
<tr>
<td>6. Impose max 50 mph speed limit</td>
<td>10% 0.16m tons of oil</td>
<td></td>
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Fuel & Electricity (Control) Bill when enacted is needed but Fuel & Electricity (Control) Bill (when enacted) is not needed.
<table>
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<tr>
<td>7. Impose further cut on airline fuel including 'executive' flights</td>
<td>400,000 tons = 10% cut</td>
<td>Fuel &amp; Electricity (Control) Bill</td>
<td>Could lead to better load factor but traffic might be lost to foreign competitors. Need discussion with IATA (?) Charter flights and therefore overseas holidays will be affected and early bankruptcy likely.</td>
</tr>
<tr>
<td>8. Reduce domestic heating and limit number of rooms heated</td>
<td>1.5m tons coal if 10% reduction (but gas unquantifiable) 0.35m tons oil</td>
<td>Massive voluntary campaign</td>
<td>Impossible to enforce. Would lead to many 'hard cases' if attempted. Therefore voluntary - 10% may be over-estimate of savings.</td>
</tr>
<tr>
<td>9. Close swimming baths, libraries, museums and other local services for 1 more day a week, or 2 hours earlier each day</td>
<td>15-20% saving of all fuels used for these purposes</td>
<td></td>
<td>Public would complain about impaired service.</td>
</tr>
<tr>
<td>10. Reduce lighting levels in shops and commercial premises</td>
<td>Lighting accounts for 70% of electricity used in commercial premises</td>
<td>Fuel &amp; Electricity (Control) Bill when enacted or Emergency Powers</td>
<td>None apparent. Lighting levels are very high in many commercial premises.</td>
</tr>
<tr>
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<td>DISADVANTAGES</td>
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<tr>
<td>1. Stop TV programmes at 10pm, close theatres, cinemas, restaurants etc at 11pm</td>
<td>unquantifiable</td>
<td>Ministry of Posts &amp; Telecommunications have requisite powers over broadcasting</td>
<td>Measure taken in Italy: would disrupt programme arrangements and cause public discontent. Saving would be unquantifiable, those watching gathered in one place.</td>
</tr>
<tr>
<td>2. Slow down placing of Government works contracts</td>
<td>small</td>
<td>None needed</td>
<td>Contractual problems - disruption and delays</td>
</tr>
<tr>
<td>3. Reduce or suspend Government research programmes</td>
<td>?</td>
<td>None needed</td>
<td>Disruption to research programme. Staff under-employed or redundant</td>
</tr>
<tr>
<td>4. Post Office could reduce telephone services</td>
<td>Motor fuel</td>
<td>None needed</td>
<td>Slower telephone service, delays in repairs and installations</td>
</tr>
<tr>
<td>5. Reduce the school week to 4 days, shorten school day by 1 hour</td>
<td>10-20% of fuel used</td>
<td>?</td>
<td>Disruption to curriculum would be criticised by teachers and parents. Could not be imposed without time to ensure that arrangements made for well-being of children of parents at work etc.</td>
</tr>
<tr>
<td></td>
<td>M tons coal</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td>M tons oil</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td>gas</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
<td>electricity</td>
<td>?</td>
<td>?</td>
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</table>
| 6. Reduce school bus service and heating in schools | Might also save road fuel | None needed | "10% cut is already being imposed. Further cuts would lead to 'hard cases' and criticism."
<p>| 7. Disband L/A evening classes at end Xmas term | Motor fuel and other fuels | ? | Criticism from those who had paid for this service. Disruption to education 'hard cases'. |</p>
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<tr>
<td>8. Hospitals to admit only urgent cases and to discharge routine cases.</td>
<td>Could be up to 25%</td>
<td>?</td>
<td>Hospitals already subject to 10% cut in fuel supplies. Some hospitals would have to close. Waiting lists would lengthen. GPs would be over-burdened.</td>
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<tr>
<td></td>
<td>250,000 tons oil</td>
<td></td>
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<tr>
<td></td>
<td>150,000 tons coal</td>
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<tr>
<td></td>
<td>325m kilowatts electricity</td>
<td></td>
<td></td>
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<tr>
<td>9. Extend MOT certificate to cover economic working of engines (ignition, timing etc)</td>
<td>10%</td>
<td></td>
<td>Difficult to devise a legally watertight test, difficult to implement and expensive.</td>
</tr>
<tr>
<td>10. Ban private flying for pleasure, private motor boats and motor rallies</td>
<td>? ?</td>
<td>??</td>
<td>Saving would be small but private flying is a conspicuous use of fuel.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Unlikely to have any immediate impact. In summertime would affect holidays and recreation, and livelihoods of those concerned.</td>
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<td></td>
<td>Financial loss for commercial sport. Considerable public reaction against such a measure. Actual saving would be small.</td>
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<td></td>
<td>Electricity not being used at peak periods, but night use helps technical balance. Inequitable further to single out electricity users. Better to control space heating generally.</td>
</tr>
<tr>
<td>11. Prohibit special trains, buses etc for those attending sports fixtures</td>
<td>? ?</td>
<td>??</td>
<td></td>
</tr>
<tr>
<td>12. Reimpose ban on night storage heaters in commercial premises.</td>
<td>2-3% saving in electricity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Ban sale of petrol on Sundays</td>
<td>Very little</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Reduce octane rating of motor fuel</td>
<td>More fuel from each ton of crude oil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEASURE</td>
<td>SAVING</td>
<td>POTTERS</td>
<td>CONSEQUENCE</td>
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<td>-------------------------------------------------------------------------</td>
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<tr>
<td>15. Suspend Clean Air Act to allow burning of low grade fuels, wood etc.</td>
<td>Minimal</td>
<td>requires legislation</td>
<td>Marginal benefits, but presentationally useful if economy in electricity etc is being enjoined. Would be protests, particularly from north.</td>
</tr>
<tr>
<td>17. Ban city centre parking</td>
<td></td>
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