



SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

01 211 6402

CONFIDENTIAL

Michael Scholar Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
London SW1

29 October 1981

Dear Michael,

FRIGG GAS SUPPLIES: INDUSTRIAL ACTION

My Secretary of State minuted the Prime Minister last night about the consequences of a prolonged dispute at the Frigg gas field.

As I reported by telephone this morning, the Frigg employees went back to work in the course of last night and gas supplies to this country have now resumed. British Gas have started reconnecting their interruptible customers, all of whom should soon be back to normal.

This return to work, like the start of the industrial action, seems to have caught the operating company (Elf) by surprise. As late as yesterday evening they were still saying that the outlook was poor and that the strike could last for ten days; the Norwegian Government was taking the same line. We have asked Elf to review the flow of information to us and to British Gas in this type of situation.

Both Elf and the Norwegians are now confident that renewed industrial action at Frigg is very unlikely in the near future, but their past performance suggests that we would do well to be cautious. The underlying pay dispute is not yet resolved and a related dispute at the Ekofisk oil field has worsened rather than improved. For the present, however, our gas supplies are back to normal.

I am copying this letter to the Private Secretaries of Cabinet members, as well as to James Nursaw (Attorney General's office) and David Wright (Cabinet Office).

Yours ever,

J D WEST  
Private Secretary

SECRET

7 6 5 4 3 2 1



OFFICE OF THE SECRETARY OF STATE

WASHINGTON, D.C.

Private Secretary to the Secretary of State  
300 Pennsylvania Avenue  
Washington, D.C.

October 1951

MEMORANDUM FOR THE SECRETARY OF STATE

Subject: [Illegible]

[Illegible text]


[Illegible text]

[Illegible text]

[Illegible text]

J. W. [Illegible]

Private Secretary

  
CONFIDENTIAL

*Prime Minister*

*To see*

*Adge mety Clerk 28/10*

*PM has seen*

*M.P.*

PRIME MINISTER

FRIGG GAS SUPPLIES: INDUSTRIAL ACTION

The Frigg gas field has been shut down since yesterday as the result of a Norwegian labour dispute and supplies ceased being delivered to the St Fergus Terminal this morning. The dispute concerns the rejection by the Norwegian trade unions of an arbitrated pay award. (The Ekofisk oilfield has been shut down for the same reason). The companies operating Frigg (Elf/Total) attempted to keep the UK side of the field in operation but union members on the platforms prevented the necessary staff being brought in by helicopter.

2. This has had a major impact on gas supplies because Frigg provides about one third of the British Gas Corporation's total supplies of natural gas from the North Sea. They could replace these supplies for about five days from liquified natural gas (LNG) stored to meet peak winter demand. But this stored gas could not be replaced this winter and therefore they could be faced with serious shortages later in the winter. Therefore, from midday yesterday British Gas started to interrupt their large industrial consumers who get their gas at a cheaper rate in return for an undertaking to switch to alternative fuels in the event of an emergency. All such interruptible supplies have now been cut off and British Gas are at present just managing to meet firm - ie non-interruptible - demand without drawing on their stored LNG.

3. However, the position is very finely balanced and British Gas could at any time be able to meet non-interruptible demands only by drawing on their limited stocks of LNG if there were a worsening in the weather (which is inevitable as the winter

*[Redacted]*



CONFIDENTIAL

develops) or if there were other breakdowns affecting supplies. At present the Corporation are obtaining the maximum take from all their other suppliers. In the meantime, they have made it clear that consumers should not waste gas.

4. Elf Norge are making every effort to resolve the dispute with their workforce but they are unable to forecast how long this might take. We are in touch with the Norwegian Government through our Embassy and have been assured by the Norwegian Ministry of Petroleum and Energy that they are fully seized of our concerns and that they will inter alia be trying to persuade the trade unions to let the UK side of the field continue in operation. However, the prospects for this are not good. The Norwegians have indicated that the strike could continue for at least another ten days.

5. British Gas have advised that their own dispute with their shift workers on the national transmission system is having virtually no effect on their ability to maintain supplies.

6. They can hold the position for a day or two. If necessary, they could deal with a slight demand/supply imbalance by drawing on a limited amount of stored LNG, by exhorting customers to economise and by requesting some of their large industrial consumers on non-interruptible contracts to cease or reduce their gas consumption. But clearly they could not rely for very long on voluntary co-operation. We would then need to invoke the emergency powers in the Energy Act 1976 in order to over-ride their contractual obligations and to direct supplies where they are most needed.

7. These powers would enable me to make orders regulating or prohibiting the use of natural gas and to give directions as to the use of gas, and to grant authorities relaxing



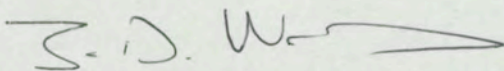
CONFIDENTIAL

statutory or contractual obligations in relation to gas. The directions to industrial users to stop using gas would therefore be given statutory force. It would not be my intention, unless the industrial action proved very protracted, to make orders restricting the use of gas in commercial or domestic premises.

8.5 These powers are exercisable while an Order in Council is in force because there exists in the UK an actual or threatened emergency affecting fuel or electricity supplies which in Her Majesty's opinion necessitates the temporary availability of exceptional powers for controlling energy. An Order in Council made to deal with an emergency in the UK would require approval by both Houses of Parliament within 28 days of making if it were not to cease to have effect, and would expire 12 months after making unless both Houses resolved to continue it for a further 12 months.

9. I am of course keeping in close touch with events with British Gas, the Norwegians and the producers. The purpose of this minute is to advise you of the situation now facing British Gas and to warn colleagues that I may have to seek their urgent agreement, at very little notice, to my seeking an Order in Council invoking the emergency powers in the Energy Act.

10. I am copying this to the members of the Cabinet, the Attorney General and Sir Robert Armstrong.



pp. SECRETARY OF STATE FOR ENERGY

28 October 1981

(Approved by the Secretary of State and signed in his absence).

Prime Minister

(2)

Original to 17 29/10

You have already  
seen this minute but  
will wish to be aware

PRIME MINISTER

of the latest position, as  
in my note →.

MCS 29/10

FRIGG GAS SUPPLIES: INDUSTRIAL ACTION

The Frigg gas field has been shut down since yesterday as the result of a Norwegian labour dispute and supplies ceased being delivered to the St Fergus Terminal this morning. The dispute concerns the rejection by the Norwegian trade unions of an arbitrated pay award. (The Ekofisk oilfield has been shut down for the same reason). The companies operating Frigg (Elf/Total) attempted to keep the UK side of the field in operation but union members on the platforms prevented the necessary staff being brought in by helicopter.

2. This has had a major impact on gas supplies because Frigg provides about one third of the British Gas Corporation's total supplies of natural gas from the North Sea. They could replace these supplies for about five days from liquified natural gas (LNG) stored to meet peak winter demand. But this stored gas could not be replaced this winter and therefore they could be faced with serious shortages later in the winter. Therefore, from midday yesterday British Gas started to interrupt their large industrial consumers who get their gas at a cheaper rate in return for an undertaking to switch to alternative fuels in the event of an emergency. All such interruptible supplies have now been cut off and British Gas are at present just managing to meet firm - ie non-interruptible - demand without drawing on their stored LNG.

3. However, the position is very finely balanced and British Gas could at any time be able to meet non-interruptible demands only by drawing on their limited stocks of LNG if there were a worsening in the weather (which is inevitable as the winter

Note  
SOS/Energy Dept telephoned to  
say gas is now flowing again -  
Strike is off - but the dispute  
continues generally and we may  
be back to a situation of shortage  
at short notice if strike resumes

MCS 29/10

CONFIDENTIAL

develops) or if there were other breakdowns affecting supplies. At present the Corporation are obtaining the maximum take from all their other suppliers. In the meantime, they have made it clear that consumers should not waste gas.

4. Elf Norge are making every effort to resolve the dispute with their workforce but they are unable to forecast how long this might take. We are in touch with the Norwegian Government through our Embassy and have been assured by the Norwegian Ministry of Petroleum and Energy that they are fully seized of our concerns and that they will inter alia be trying to persuade the trade unions to let the UK side of the field continue in operation. However, the prospects for this are not good. The Norwegians have indicated that the strike could continue for at least another ten days.

5. British Gas have advised that their own dispute with their shift workers on the national transmission system is having virtually no effect on their ability to maintain supplies.

6. They can hold the position for a day or two. If necessary, they could deal with a slight demand/supply imbalance by drawing on a limited amount of stored LNG, by exhorting customers to economise and by requesting some of their large industrial consumers on non-interruptible contracts to cease or reduce their gas consumption. But clearly they could not rely for very long on voluntary co-operation. We would then need to invoke the emergency powers in the Energy Act 1976 in order to over-ride their contractual obligations and to direct supplies where they are most needed.

7. These powers would enable me to make orders regulating or prohibiting the use of natural gas and to give directions as to the use of gas, and to grant authorities relaxing

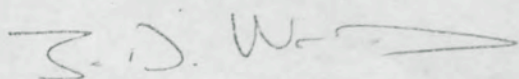
CONFIDENTIAL

statutory or contractual obligations in relation to gas. The directions to industrial users to stop using gas would therefore be given statutory force. It would not be my intention, unless the industrial action proved very protracted, to make orders restricting the use of gas in commercial or domestic premises.

8. These powers are exercisable while an Order in Council is in force because there exists in the UK an actual or threatened emergency affecting fuel or electricity supplies which in Her Majesty's opinion necessitates the temporary availability of exceptional powers for controlling energy. An Order in Council made to deal with an emergency in the UK would require approval by both Houses of Parliament within 28 days of making if it were not to cease to have effect, and would expire 12 months after making unless both Houses resolved to continue it for a further 12 months.

9. I am of course keeping in close touch with events with British Gas, the Norwegians and the producers. The purpose of this minute is to advise you of the situation now facing British Gas and to warn colleagues that I may have to seek their urgent agreement, at very little notice, to my seeking an Order in Council invoking the emergency powers in the Energy Act.

10. I am copying this to the members of the Cabinet, the Attorney General and Sir Robert Armstrong.



pp. SECRETARY OF STATE FOR ENERGY

28 October 1981

(Approved by the Secretary of State and signed in his absence).

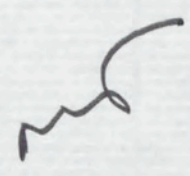


PRIME MINISTER

You may have seen news reports of a strike in Norway's Frigg field, which is affecting supplies of gas to BGC.

The Corporation is already interrupting supplies to customers who have interruptible contracts. If the action persists, they may have to consider curtailing supplies to some other customers. This would arise in a matter of days rather than weeks. However, we understand that the Norwegian unions involved have now acknowledged that their strike action is illegal, so the Department of Energy are optimistic about a return to something like normal working. There is also an overtime ban in progress at present, which further complicates the position.

MAD



27 October 1981