



FCS/83/251

SECRETARY OF STATE FOR ENERGY

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A. S. C.  $\frac{1}{12}$

Oil Supplies from the Gulf

1. I was grateful for your paper OD(83)17 on this subject.
2. I endorse the conclusions of the paper, in particular that the UK interest in an emergency would best be served by activating the IEA emergency allocation scheme; and that we should initiate low key moves to persuade the US, Japan and the FRG to accept the conclusions in the paper. I also agree with your emphasis on the importance of public presentation and rapid collective action by IEA members if upward pressure on prices is to be forestalled.
3. It is not easy to assess the likelihood and possible timing of an interruption in Gulf oil supplies. It could take place at any time, and with little notice. It would be sensible for us to speak as soon as possible to the Americans, in advance of the Germans and Japanese; and I hope OD colleagues, to whom I am copying this letter, will feel able to agree the paper rapidly out of committee. I understand that the US Energy Secretary will be in London on 8 December and it might be desirable to mention the topic to him then.

GEOFFREY HOWE

Foreign and Commonwealth Office

1 December, 1983



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