



*43*

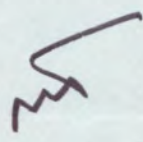
Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

Prime Minister

PRIME MINISTER

*The MISC 57 Secretariat hope  
the Committee will be able to report  
by the second week in September,  
and that they will cover the  
Chancellor's concerns.*



POWER STATION ENDURANCE: ANCILLARIES

*Wm  
16/8*

I have seen Nigel Lawson's minute of 5 August about stocks  
of ancillary materials needed for power stations.

2. I agree that we need to confirm that there are enough  
ancillary materials likely to be available to support the  
likely level of fuel stocks. But the proposal in Nigel's  
minute involves substantial sums of public expenditure,  
which would count towards the industry's EFL in 1983-84.  
The industry are already £166m above their White Paper  
baseline and I would be most reluctant to see them take on  
another commitment of some £70m unless this was absolutely  
inescapable.

3. I suggest therefore that we need to be sure that this  
expenditure is inescapable and that we cannot rely on  
getting some of the materials into the stations during a  
strike as we are having to do this year. Timing is also  
important since I understand that much of the work involved  
would be visible and it would be unfortunate if starting at  
the wrong moment triggered off industrial problems this year.  
I suggest officials in MISC 57 look at these points quickly  
along with those suggested by Nigel before final decisions  
are taken.

SECRET AND PERSONAL



4. I am copying this minute for the usual limited circulation to the Home Secretary, the Secretaries of State for Defence, Employment, Energy, Industry, Scotland and Transport and to Sir Robert Armstrong and Mr Sparrow.

(G.H.)  
11 August 1982