



10 DOWNING STREET

From the Private Secretary

28 June, 1982.

Increasing Power Station and Industrial Endurance

The Prime Minister was grateful for your Secretary of State's minute of 22 June to which was attached a note by the Official Group on Coal (Misc 57) dated 10 June.

The Prime Minister hopes that steps will be able to be taken to accommodate even more coal, above the 24m tonnes target, on existing CEGB sites.

As regards the proposal to accommodate an additional 4m tonnes, by constructing new sites, the Prime Minister has asked how the cost of £30m, as discussed in paragraph 6 of your report, has been calculated. I would be grateful, therefore, if you could give me a more detailed analysis of the cost of this option than we already have in paragraph 6 of the report.

Mrs. Thatcher has also commented that it is very disappointing that there is now insufficient time to construct before next winter facilities for the storage or manufacture of ancillary materials. She would be grateful if your Secretary of State would take whatever steps are necessary to ensure that the stock of ancillaries, or our capacity to replenish them, is sufficient, as soon as possible.

I am sending copies of this letter to John Halliday (Home Office), John Kerr (HM Treasury), Jonathan Spencer (Department of Industry), David Omand (Ministry of Defence), Anthony Mayer (Department of Transport), Barnaby Shaw (Department of Employment), Muir Russell (Scottish Office), David Wright (Cabinet Office), and Gerry Spence (CPRS), for the usual limited circulation.

M. C. SCHOLAR

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Department of Energy.

SECRET AND PERSONAL