

01 211 6402

The Rt Hon Leon Brittan QC MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
London SW1

18 October 1982

Dear Chief Secretary,

At our meeting on 15 October you asked me to consider the possibility of further savings in 1983/84 to reduce the industry's additional bid against the White Paper baseline from £245m to £100m.

In the time available it has not been possible to secure from the industry specific undertaking to make savings in particular areas. However, taking account of the latest view of electricity sales next year (somewhat improved), the prospect that coal stocks may in fact rise by less than 4m tonnes, and the possibility that some payments to suppliers could be advanced from 1983/84 to 1982/83 without prejudicing the 1982/83 EFL, I conclude that there is likely to be scope for savings of the order which you have proposed. I would be prepared, accordingly, to ask the industry to use its best endeavours to achieve such savings within the EFL for 1983/84 when we come to set it.

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



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