

Prime Minister

Particularly in connection with

(2), you may like to be reminded of the note below.

Ref. A084/1467

PRIME MINISTER

I really don't think I can. But here on the numbers - and I think the fact from the Minister as suggested. Do you want to see him on this basis?
Sir Walter Marshall came to see me on Tuesday 15 May 1984.

The purpose of his visit was to tell me about a certain number of things, on which he would very much like to report to you direct and know your views on a personal basis, without the Secretary of State for Energy being aware that he has done so.

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2. The matters which he would like to raise are as follows:

(1) Though the Sizewell Inquiry has run much longer than expected, there is hope of a promising outcome. They have a good design with good safety, and they have held the capital costs. Sir Alan Cottrell has blessed the design. The United Kingdom industry is doing some very good work. Sir Walter Marshall is not proposing a PWR programme; but he has told the industry that (provided that all goes well at the Sizewell Inquiry) the CEGB will build Sizewell, and will go on to build other PWRs thereafter. He would like to be assured that you are content with that.

(2) Sir Walter Marshall is anxious to tell you about the reconstruction of the nuclear construction industry. He has now put together a consortium of companies for the nuclear steam supply system consisting of GEC, Babcock International, NEI and Westinghouse. He would like to have an opportunity of convincing you that this is the right way to proceed.

(3) He would like to tell you that he has found the CEGB to be a good organisation: all it needs is leadership. He does not think that there is much scope for privatising generation, though there may be scope for privatising area electricity boards.

(4) He would like to express his misgivings about the arrangements for policy and management of nuclear reprocessing and waste disposal - the "back end of the cycle". He does not have confidence in the Department of

the Environment's management of this, and wonders whether you would like him to propose that the CEGB should come in as a funding and co-ordinating agent. The CEGB has, in his view, a legitimate interest in the matter, since getting it wrong could put its nuclear power programme at risk.

- (5) He would like to have a word about the fast reactor. They have now reached a satisfactory agreement with the French, but Dounreay is effectively on a care and maintenance basis. Sir Walter Marshall obviously feels that, if the Government wanted to be in a position to have a fast reactor - even a demonstration plant - working by the end of the century, more impetus would be needed. The CEGB could seek to involve itself; but you may be content to leave things as they are, on the basis that the fast reactor is not going to contribute significantly to electricity supply until well into the next century.
- (6) There is also a delicate appointment question which Sir Walter Marshall would like to take your view on.
3. If you would like to see Sir Walter Marshall, perhaps I could discuss with Mr Butler how to bring this about in a way which ensures that the meeting remains strictly private.

RA

ROBERT ARMSTRONG

15 May 1984

085

File



10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen your minute of 15 May (A084/1467) about your conversation with Sir Walter Marshall.

The Prime Minister does not think that she can meet the Chairman of a nationalised industry on the basis proposed. She would always be glad to see Sir Walter Marshall and hopes to find an opportunity to invite him to 10 Downing Street in the near future, but she would prefer that conversations on policy affecting the electricity industry should take place with the Secretary of State for Energy present.

The Prime Minister would be grateful if you could explain her difficulty to Sir Walter Marshall and add that she nevertheless hopes to see him soon.

E. E. R. BUTLER

17 May 1984

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17/5

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MRS. GOODCHILD

The Prime Minister would like Sir Walter Marshall to be put on an invitation list in the near future. She would prefer it to be an occasion when the Secretary of State for Energy is also present, since Sir Walter Marshall is likely to try to nobble her on policy matters. Can you please look for a suitable opportunity.

E. E. R. BUTLER

17 May 1984