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10 DOWNING STREET

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Energy  
bc D. Wright Co.  
cc Master Set

*From the Private Secretary*

7 February 1980

When the Chancellor called on the Prime Minister this morning, they briefly discussed the question of coking coal subsidies. The Chancellor reported that the Secretary of State for Energy had been in touch with Sir Derek Ezra and had told him that the Government had no objection to the NCB providing a greater subsidy from within their existing cash limits. The Department of Energy believed that the NCB had room for providing a further subsidy, and thus lowering the coking coal price. The Chancellor suggested that it would be right to continue pressing Sir Derek on this point.

The Prime Minister agreed.

I am sending a copy of this letter to Bill Burroughs (Department of Energy).

T. P. LANKESTER

John Wiggins, Esq.,  
H.M. Treasury.

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