frime Minister SECRETARY OF STATE FOR ENERGY THAMES HOUSE SOUTH MLS 11/5 MILLBANK LONDON SWIP 4QJ 01-211 6402 The Rt Hon Tom King MP Secretary of State for the Environment May 1983 2 Marsham Street London SW1 SEVERN BARRAGE We spoke following Cabinet this morning about your minute of 27 April offering £200,000 from your Department's budget to examine those environmental aspects of the barrage that impinge most directly on its economics. I am writing to confirm our understanding that in present circumstances I should go ahead with my proposed statement on the lines previously agreed about the study by the Severn Tidal Power Group. I accordingly propose to release the statement tomorrow. I am very grateful for your offer. However I see no reason why your suggestion of a parallel preliminary investigation into the environmental aspects of the barrage should not go ahead separately. Indeed I would welcome this and a further announcement could be made in due course when the details have been worked out. I am copying this minute to the Prime Minister, Peter Walker, Nicholas Edwards, Patrick Jenkin, John Biffen, David Howell, Leon Brittan, Norman Tebbit, Arthur Cockfield, Robert Armstrong and John Sparrow. NIGEL LAWSON

ENERGY: Severn Barrape April 1987

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SEVERN BARRAGE

I am entirely sympathetic to the proposal, in your minute of 16 March, to support a further assessment by the Severn Tidal Power Group of the prospects for a barrage built and operated by the private sector. But, given the considerable interest in the Barrage, I think that we must ensure that our intentions are not open to misrepresentation. The proposed announcement is the Government's response to the 1981 Report of the Severn Barrage Committee. We need therefore to make it clear how we view that Committee's many recommendations for further work. In particular, the Committee identified a wide range of potential environmental impacts from the construction and operation of a barrage which must, in my view, be examined more fully before the barrage can possibly be given approval. And those further studies will in some cases involve some years' work.

I propose therefore that we make it clear that a start is to be made in the next stage on examining those environmental aspects that impinge most directly on the economics of the barrage or which arouse the greatest public anxiety. to that end I am ready to commit up to £200,000 from my Departmental budget to ensure either that STPG are adequately funded or that related work proceeds in parallel. I suggest that we instruct officials to work out the details.

At the same time I believe that any announcement should make it clear that, although the Government favours the STPG study as the next step, it recognises that further work would have to be undertaken before any decision to proceed with the barrage.

ENERBY The Seven Barrage Project April 81

I am copying this minute to the Prime Minister, the Minister for Agriculture, Fisheries and Food, the Secretaries of State for Wales and Industry, the Lord President of the Council, the Secretary of State for Transport, the Chief Secretary, the Lord Privy Seal, the Secretaries of State for Employment and Trade, Sir Robert Armstrong and Mr Sparrow.

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TOM KING