

S E C R E T



✓ des 25B

Prime Minister (2)

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

I have permitted in,
at Peter Gagnon's

suggestion, a possible
meeting towards the end of Jan

so that you can review the options

But we may need an earlier meeting -
or no meeting at all. M11 17/12

PRIME MINISTER

NCB PIT CLOSURES

Nigel Lawson sent me a copy of his minute of 10 December in which he reported on his preliminary discussions with the Chairman of the Coal Board about the Board's thinking on pit closures.

2. This is a helpful analysis and I agree with Nigel that there does not seem to be any need for any immediate action, beyond that agreed as a result of the recent MISC57 Report, until we have considered very carefully the Board's considered advice following their meeting on 17 December. When Nigel puts his proposals to us, I think that it would be helpful if he were to provide at the same time some appraisal of the Board's draft Corporate Plan and financial prospects. No doubt it is already clear that the Board's disastrous financial position points to maximum possible closures over the next year or so. Nevertheless, our discussions on the industry's capacity ought to take place against the background of some quantification of its future financial prospects.

3. I am sending a copy of this minute to the Home Secretary, the Secretaries of State for Defence, Energy, Scotland, Industry, Transport, Wales and Employment and to John Sparrow and to Sir Robert Armstrong.

G.H.

16 December 1982

S E C R E T