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10 DOWNING STREET

From the Private Secretary

13 February 1985

COAL INDUSTRY BILL

The Prime Minister has seen your Secretary of State's minute of 21 December and the Chancellor's reply of 7 February. She has noted that the Chancellor's proposal not to extend the time limit for the current financial regime beyond March 1986 appears to imply that new legislation would not only be introduced in the 1985-1986 session but would also receive Royal Assent by March 1986. She feels that the decision on when to introduce major legislation to restructure the industry should be taken on its merits and not be constrained by decisions on whether to extend the existing regime.

She believes, therefore, that the bill which will be required in the current session should contain provision to permit the extension of the current financial regime to March 1987 should that prove necessary. In the meantime, preparatory work should be undertaken to keep open the option of introducing major legislation in the 1985-86 session should it be thought advantageous to act quickly after the end of the strike.

I am copying this letter to Janet Lewis-Jones (Lord President's Office), Rachel Lomax (HM Treasury) and Richard Hatfield (Cabinet Office).

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ANDREW TURNBULL

Michael Reidy, Esq.,
Department of Energy.

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