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FST  
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EST  
Sir P Middleton  
Mr Bailey  
Mr Monck  
Mr Kemp  
Mr Grimstone  
Mr Robson  
Mr Gilhooly  
Mr Bristow  
Mr D Moore  
Mr Marr

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

5 August 1985

The Rt Hon Peter Walker MBE MP  
Secretary of State for Energy  
Department of Energy  
Thames House South  
Millbank  
LONDON SW1

*Dear Secretary of State*

**NATIONAL COAL BOARD DEPUTY CHAIRMAN**

Thank you for copying to me your minute of 19 July to the Prime Minister about the National Coal Board Deputy Chairman.

I am content with the proposed appointment of Sir Kenneth Couzens to succeed Mr Cowan. However, I am worried that an early announcement of this appointment might exacerbate current sensitivities over the TSRB recommendations. It could be seen to indicate that senior public servants can move easily and quickly into well paid jobs after retirement. I realise that Ken Couzens will not benefit from the recent TSRB recommendations, and that his NCB salary will be abated, but I still believe it would be better to avoid any publicity about his appointment until shortly before the change is due to take effect. I should be most grateful if you would consider this together with Ian MacGregor.

I have no objection to Jimmy Cowan receiving pay in lieu of the unexpired portion of six months, at the rate to be agreed from 1 January 1985, provided you are satisfied that the full period of notice should not be given. As to salary, I do not think we can justify an increase analogous to both the 1983 and 1984 increases received by other NCB board members. You say Cowan's current personal salary was intended to last until the end of 1984, so I think there should be just one 5.2 per cent increase for Cowan. I should therefore be grateful if you would consider increasing Cowan's pay from 1 January 1985 on a personal basis from £56,500 to £59,440.

You say there have been no discussions so far about Ken Couzen's salary as Deputy Chairman. This should certainly not be more than, and preferably less than, the £59,440 I am prepared to agree for Cowan, since Cowan's salary was specifically agreed as personal to him. It should also last until 1 November 1986. The abatement rules of course mean that Ken Couzen's salary would in practice be abated by the full extent of his initial pension, and that any future increases would be applied to the abated salary. I look forward to your proposal.



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Finally, you mention the impending retirement of the two other full time NCB Board members. This provides an ideal opportunity for a thorough review of the structure of this Board, and I should therefore be grateful if you would consider this and make proposals in due course, taking into account the top level organisation of the NCB.

Yours sincerely  
Tony Kuczyk

pp NIGEL LAWSON

(approved by the Chancellor  
and signed in his absence)

Card: Mr. B. J. P. 12