



Nat Industries

CCPO

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

31 October 1989

*NBPR will be taken
under E(A).*

Dear Stephen,

*Recd
1/11*

COAL BILL

The Lord President met your Secretary of State yesterday to discuss the content and handling of the Coal Bill in next Session's Legislative Programme. The Chief Whip, Parliamentary Under Secretary of State for Energy (Mr Spicer) and Murdo Maclean were also present at the meeting.

The Lord President explained that he had called the meeting because there had appeared to be some confusion over the proposed content of the Coal Bill, including some doubt as to whether both proposed components had full policy clearance from colleagues, together with some concern about its handling in the light of the current problems in the Commons related to the passage of the ABP Bill. Your Secretary of State briefly set out the background to the Bill;

- the timing was tight because the Coal Board and Treasury were pressing for the write-off provisions to be in place by the end of the financial year, for obvious accounting reasons.
- the Bill (only 4 clauses covering both provisions) was ready for introduction
- the scope and extent of the increases proposed in the licensing limits for private mining had been kept very small in an attempt to avoid controversy and accusations of back door privatisation. In practice, given the background of the privatisation of the electricity industry and further contraction of the coal industry likely to emerge from contracts between the generators and the Coal Board, some degree of controversy was unavoidable.

His strong inclination, therefore, was to attempt to move the Bill through the Commons as quickly as possible. Whilst recognising the likely congestion in the period before Christmas he proposed that the business managers might plan to take Committee Stage on the Floor of the House immediately before Christmas with the aim of putting the Bill to the Lords early in the New Year.

Alternatively if Second Reading was on 4 December with the Committee of Selection on 6 December, it would be possible to fit 7 committee sittings in before Christmas with Report and Third Reading on 15 January.

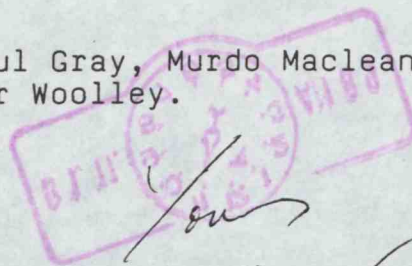
The Lord President and the Chief Whip, whilst acknowledging that the need to have the Bill in the Lords very early in the New Year was a major problem, also pointed out that an equally difficult issue was the possible effect that a highly controversial coal bill might have on the rest of the legislative programme, given its weight and the need for an unprecedented number of bills to be through very early in the Session. The likelihood that the ABP Bill would still be generating controversy was a further complicating factor. The Lord President therefore sought a view from your Secretary of State on the extent to which the licensing changes were seen as indispensable.

Your Secretary of State, whilst admitting that Sir Robert Haslam was unhappy with the licensing changes, explained that the changes arose from commitments made in earlier years and specifically in writing over the summer, to raise limits primarily to regularise existing practice. Neither he nor the Parliamentary Under Secretary were convinced that there would necessarily be disruptive action from either the official Opposition or the Miners Group. Mr Spicer made the additional point that pit closures might well be coming forward in the Spring, arising from the contracts negotiated by the electricity industry towards the end of the year; this would undoubtedly provoke further controversy and was an argument for pushing the bill through as quickly as possible.

The Lord President, summarising a brief discussion, asked your Secretary of State to look again at the need for licensing changes to be included in the bill given the very tight timetable needed for the introduction of revised borrowing limits and the potentially disruptive effect on the rest of the legislative programme. This should include a clear and objective estimate of the political cost of excluding these provisions. His judgement, subject to further discussion with colleagues, was that it would prove impossible to including licensing changes if the bill had to be passed by both Houses by the end of the financial year. The Chief Whip concurred with that view which was not shared by your Secretary of State and Mr Spicer. Murdo agreed to produce a specimen timetable of the business required between 4 December and Christmas. It was agreed that your Secretary of State would now write simultaneously to members of E(A) and L Committees seeking policy and legislative approval for the coal bill in the light of the discussion at the meeting.

The meeting closed with a brief discussion of the problems relating to the ABP Bill. Your Secretary of State pointed out that the Miners Group had not abided by the deal he had agreed with them before the summer but that the practical constraint on the promoters, that work on the new port facilities could not be finished in time to allow any imports of coal before 1995, might offer the prospect of a further deal with the Group. The Chief Whip agreed to consider this further following his meeting with the Chairman of ABP.

I am copying this letter to Paul Gray, Murdo Maclean, Douglas Slater, Chris Strutt and Trevor Woolley.



S D Catling

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Secretary of State for Energy