

CONFIDENTIAL

George Guise

cc CF file

PAUL GRAY

Note. I'm waiting to see how 7 November 1989

him goes. If need be I will make the P.M. again.

Rec 6 7/11

COAL BILL - LICENSING PROVISION

I see from a letter dated 2 November from Wakeham to Howe that the latter is trying to frustrate the raising of statutory limits on licensed mining.

To drop this clause would be a grave mistake - indeed it is one of the most sensible provisions in the Coal Bill. A clear signal from Government now that licensed mining is encouraged would be a valuable boost to the private sector. It is pure sophistry to argue that this is a form of early privatisation. It is a modest move to weaken the dead hand of the Coal Board's grip over dormant national assets that could be profitably operated by others.

Although the matter is being dealt with by L Committee, a significant Government strategy will be harmed if this clause is lost.



GEORGE GUISE