

MR POTTER (o/r)

FUTURE OF BRITISH COAL

John Neilson rang me about your letter of 27 July. He was rather at a loss on how to take the matter forward. The Secretary of State had put in an eleven page paper with a two page covering note and had simply got the message back that it was not comprehensive enough and that he should prepare a better one for a discussion with a small group of Ministers in the early autumn. In the absence of any guidance on where the original paper was thought to be deficient, DEn have no basis for producing a different paper.

I suggested a different way forward. Rather than preparing a whole new paper, there should be a meeting of Ministers as originally envisaged, but on the basis of an annotated agenda, highlighting the issues for discussion. The agenda note should be agreed between the two Private Offices, George Guise and Department of Energy and Treasury officials.

The outcome of the discussion would give the Secretary of State a clearer steer on the further work the Prime Minister wants. John Neilson was happy with this. Could you, on return, set this process in hand?

Incidentally, John Neilson denied the claim in George's note that DEn implicitly assumed that BCC should be processed as a single entity.

AT

ANDREW TURNBULL

6 August 1990

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*From the Private Secretary*

27 July 1990

FUTURE STRATEGY FOR THE BRITISH COAL CORPORATION

The Prime Minister has seen your Secretary of State's minute of 13 July covering a paper setting out the future strategy of British Coal.

The Prime Minister considers that, in view of the importance of the issues raised and the need for a thorough analysis of possible ways forward, the next step should be a collective Ministerial discussion.

Accordingly, the Prime Minister would be grateful if your Secretary of State could bring forward a comprehensive paper for discussion in the early autumn.

I am copying this letter to John Gieve (H.M. Treasury) and Sonia Phippard (Cabinet Office).

BARRY H. POTTER

John Neilson Esq  
Department of Energy

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