

dti

the department for Enterprise

Prime Minister  
This crossed with a letter from  
John Wakeham to John Redwood  
offering to bring DTI officials  
into work on privatisation.

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PRIME MINISTER

COAL INDUSTRY BILL

Content of

Content for me to reply on  
that bill?

BHP 18/1

John Wakeham sent me a copy of his minute to you of 13 December about a new Bill to raise the statutory limit on the restructuring grant payable to British Coal. I am content with his proposals as the restructuring grant is an important element in the strategy for reshaping British Coal.

The privatisation of British Coal will raise some tricky issues, including competition matters. We clearly cannot go back on pledges we have already given on privatisation. In considering the options, it will be vitally important not only to manage decline in the high cost deep mines but also to put the rest of the industry on the best possible footing to respond to opportunities in the private sector as soon as possible. This is important if we are to ensure that, after 1993, the market is not dominated by imports. All these factors point to early discussion of the options. I hope therefore that, once privatisation of the electricity generators has taken place in March, John will feel able to put forward some initial thoughts on structure and timing. As with the competition issues relating to electricity privatisation, my department will do all it can to help.

I am copying this minute to John and to the other members of E.A., the Lord Chancellor, Sir Robin Butler and First Parliamentary Counsel.

*[Handwritten signature]*

P B L

16 January 1991

DEPARTMENT OF TRADE AND INDUSTRY

JW1093



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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

21 January 1991

*Dear Martin,*

COAL INDUSTRY BILL

The Prime Minister was grateful for your Secretary of State's minute of 16 January, expressing the hope that the Department of Trade and Industry could be involved in early discussions on the options for possible privatisation of British Coal.

I understand your Secretary of State's letter crossed with a letter from the Energy Secretary to Mr. Redwood (Minister for Corporate Affairs, DTI) offering to bring DTI officials into work on possible structures and timing of British Coal privatisation.

The Prime Minister assumes these arrangements are satisfactory to your Secretary of State.

I am copying this letter to John Neilson (Department of Energy), Has Dunstan (Minister of State's Office, Department of Trade and Industry) and Sonia Phippard (Cabinet Office).

*Yours ever,  
Barry*

Barry H. Potter

Martin Stanley, Esq.,  
Department of Trade and Industry.

*✓*

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