

PRIME MINISTER

BRITISH COAL AND MALCOLM EDWARDS

John Wakeham's PS telephoned earlier today to let me know that British Coal have decided to sack Malcolm Edwards. You will recall that Malcolm Edwards, the main board Marketing Director of BC, is very active; but he is often critical of the Government. And he has a very output-led view of the industry.

I asked whether there was any prospect of delaying Mr. Edwards' departure for six months or so. But both John Wakeham and Neil Clarke (Chairman of BC) are quite convinced that Mr. Edwards has to go now - before the negotiations between BC and the Electricity Generating Companies get underway.

It is crucial to avoid Mr. Edwards becoming an open critic of the Government. John Wakeham is well aware of this. The plan is to offer Mr. Edwards consultancy terms so that he can continue to advise BC. The contract will ensure that, dependant on good behaviour as a Consultant, there will then be a major pay-off to Mr. Edwards. That will be at least six months away.

Of course there is no certainty Mr. Edwards will accept this deal. His interview with Mr. Clarke is tomorrow. I will keep you in touch with developments.

BHP

BARRY H. POTTER
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