

PRIME MINISTER

COAL PRIVATISATION

Mr Wakeham and Rothschilds will give a presentation to you and the Chancellor on coal privatisation on Wednesday 13 November.

I will provide briefing nearer the time. But there is an issue about attendance.

You will be aware that there has been no love lost recently between Mr Wakeham and Mr Lilley. There were acute difficulties over reducing and removing the statutory monopoly from British Gas. Though that matter was satisfactorily resolved, and Peter Lilley won much of what he was after, he accepted it with bad grace. His tactics, throughout the dispute, were poor.

Mr Lilley is now pressing to attend the presentation on coal. Mr Wakeham is not at all keen. But, whatever their differences, I think you should invite Mr Lilley. The DTI have a clear interest in competition issues.

Yes

The latest DEN excuse for not involving Mr Lilley is DTI's unreliability in protecting secrecy. I think this is overdone. Mr Lilley does not have to see any papers before the meeting. But my preference would be to send copies of the material to him - with a strict admonition to his Private Secretary that they are for the Minister's eyes only at this stage.

If further work involves DTI interests, clearly Mr Lilley must be responsible for assuring adequate secrecy within his own organisation.

Content for Mr Lilley to be invited to the presentation on Wednesday?

Yes

Content for relevant papers to be sent to him (only)?

Yes

BHP

BARRY H POTTER

11 November 1991

c\economic\coal (kw)

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TMW



FILE

10 DOWNING STREET  
LONDON SW1A 2AA

CC D/N  
HMT

*From the Private Secretary*

12 November 1991

*Dear Martin,*

COAL PRIVATISATION

You have indicated on a number of occasions that your Secretary of State would like to attend the presentation by the Energy Secretary and Rothschilds on coal privatisation. The meeting will take place at 1545 tomorrow, 13 November.

The Prime Minister would be very grateful if your Secretary of State could attend the presentation. Accordingly I have asked John Neilson (Department of Energy) to send you one copy of his Secretary of State's minute to the Prime Minister of 3 October and a copy of the Rothschild report. I must ask you to ensure that no further copies of either paper is taken; and that these papers do not leave Private Office.

I am copying this letter to John Neilson (Department of Energy) and Jeremy Heywood (H.M. Treasury).

*Yours ever,*

*Barry*

BARRY H. POTTER

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

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the department for Enterprise

U R G E N T

FAX MESSAGE

From:

The Department of Trade and Industry Press Office

Press Office Telephone no:

071-5962/67/74/79

Public Enquiries:

071-215 5000

Press Office Fax no:

071-222 4382

Address:

Department of Trade and Industry  
Room 801  
Ashdown House  
123 Victoria Street  
LONDON  
SW1E 6RB

This message is for Barry Potlor

From Ken Stoney

Direct telephone no: 071-215 5960

Special instructions/Message Following your discussions

with Chris Thrush, the Secretary of State made  
a few amendments, and we now intend issuing  
this immediately.

Date: 8 / 11 / 91

Pages to Follow 1

DRAFT

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D/91/765

:DATE:

EDWARD LEIGH CALLS ON EUROPEAN COMMISSION TO RELEASE COALFIELD FUNDS

Industry Minister Edward Leigh today called on the European Commission to release the money owed to the UK under the RECHAR Programme.

On a visit to coalfields in the north east, Mr Leigh said:

"The RECHAR Programme is designed to provide financial support for coal mining areas. For the UK this amounts to £109 million.

"And yet we haven't received a penny.

"The Commission has lodged unfounded objections, claiming that we were breaking their rules on 'additionality'.

"We have done no such thing. Indeed, there is no legal requirement on us to meet the 'additionality' criteria, and the Commission should recognise this.

"Nevertheless, the fact that none of the projects earmarked for funding under the RECHAR programme have started, is a clear indication that the funds are indeed additional to local authorities' planned expenditure.

"We pay £1,800 million into the structural funds, of which RECHAR is a part, and receive £1,500 million back. Grants are usually given for around 45 per cent of a project; the rest is covered by UK money.

"This money is vital to the regeneration of coalmining areas; £8 million alone in East Durham which has had to sustain a great many job losses in the coal industry.

"I call on the Commission to release the money. The coal mining communities need this money, and they need it now."



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U R G E N T

## F A X M E S S A G E

FROM THE OFFICE OF:

EDWARD LEIGH, PUSS FOR INDUSTRY AND CONSUMER AFFAIRS  
ROOM 1005, ASHDOWN HOUSE, 123 VICTORIA STREET, LONDON, SW1EDIRECT TELEPHONE NUMBER: 071 215-5147  
PUBLIC ENQUIRIES : 071 215-5000

OFFICE FAX NUMBER: 071 215 6555

THIS MESSAGE IS FOR Barry Potter  
FROM Christyler ThreshSPECIAL INSTRUCTIONS/MESSAGES Revised  
version of Press Notice with most of  
the emotive language removed. Mr Leigh does  
to be as robust as he can. He will be visiting the  
heart of the Coal field area where this has been an issue  
for some time. There is a risk that Mr. Leigh's arguments  
will go by default. Grateful for form of words with  
which PM would be content.NUMBER OF PAGES: 2 DATE: 7/11/91

RECEIVED BY AND DATE: \_\_\_\_\_

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"But the Commission lodged unfounded objections, claiming that we were breaking their rules on 'additionality'.

"We have done no such thing. Indeed, there is no legal requirement on us to meet the 'additionality' criteria, and the Commission should recognise this.

~~"This is our money anyway.~~

"We pay £1,800 million into the structural funds, of which RECHAR is a part, and receive £1,500 million back. Hence it costs us £300 million a year.

"And yet the Commission still withhold the money.

~~"It is time they paid up.~~ This money is vital to the regeneration of some of the poorest areas in the land; £8 million alone in East Durham which has had to sustain a great many job losses in the coal industry.

"I call on the Commission to release the money. The coal mining communities need this money, and they need it now."

ENDS