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10 DOWNING STREET
LONDON SW1A 2AA



From the Private Secretary

18 November 1991

Dear John,

BRITISH COAL

Following last week's presentation by your Secretary of State on the proposed privatisation of British Coal, the Prime Minister has been giving further thought to measures which might be introduced to ease the economic and social impact on those areas where pit closures are inevitable. He appreciates that these closures flow from the likely decisions by the electricity generators on contracts for coal purchases and not from the proposed privatisation per se.

NO FURTHER COPIES SHOULD BE MADE of this letter, and it should be made available ONLY to other Ministers and officials with a STRICT NEED TO KNOW of its contents.

The Prime Minister would be most grateful for a report setting out your Secretary of State's plans for mitigating the impact on the areas concerned. Your Secretary of State mentioned BC Enterprise and Rechar and the need to give careful consideration to redundancy terms. A number of other ideas, however, have been considered within the No. 10 Policy Unit. And the Prime Minister would be grateful if, in preparing the report, the No. 10 Policy Unit could be fully involved.

Yours ever,

Barry

BARRY H. POTTER

John Neilson, Esq.,
Department of Energy

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