

PRIME MINISTER

Prime Minister ①

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could you indicate what view you take on this?

AT 20/11

COAL FIRING SCHEME

It was agreed earlier this year that the Coal Firing Scheme should continue until this December but should then be reviewed. Mr. Walker wishes to postpone this review for six months as it is not possible to assess the supply and demand position for coal until the strike is ended. Meanwhile, he wishes to leave the Scheme open. There are still a few applications coming in.

The Chief Secretary agrees that the review should be postponed but in the meantime wishes to close the Scheme.

The Chief Secretary's view is perfectly logical - immediately after the strike the priority will be to despatch as much coal as possible to the power stations to replenish stocks, and if the closure programme is pursued vigorously, there should not be a surplus of coal which needs to be subsidised in order to encourage companies to take it up. In terms of the propaganda battle, however, it would be better to retain this Scheme as part of the Government's support for the industry.

Agree with

i) Mr. Walker?

✓ Yes - for the time being, not

ii) the Chief Secretary?

AT

Andrew Turnbull
19 November 1984