Primi Kinister 13 SECRET and we have asked for a full mopress report.

PRIME MINISTER

MOVEMENT OF COAL

Thankson very

At our meeting this morning you mentioned that one of the apparent difficulties in moving more coal to power stations before the winter sets in was that British Rail would be charging overtime rates for working at weekends. As I said I had not heard this point before, and therefore I have been trying to find its source. I now see that it was a point made in David Howell's minute to you of 31 July (paragraph 6), and I think probably that the information comes from the CEGB, not British Rail. As you know, I was not involved (nor was Ken Clarke) in the discussion of that minute, and I had not previously seen its contents. Obviously I fully understand the necessity for treating papers on this subject with the utmost discretion.

I can see that David has a point when he suggests that a movement from the present practice of five day working on this form of freight traffic to a six and a half day week could attract attention. But my own view of this is a very simple one; the more freight which British Rail can carry under commercial contracts, the better. I would welcome an addition to the volume of coal which they are asked to carry, simply because it would raise their earnings and ease the problem which I have with their EFL.

I would hope that it would be possible to extend the scope of the British Rail operations in carrying coal by straightforward commercial operations. One possibility, which seemed to emerge at our discussion this morning, is that this could be presented as a way of relieving the problem at a number of pitheads where the room for stockpiling coal is already fully taken up.

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I imagine that you would not want this correspondence to be circulated widely, but in the circumstances I am sending a copy to David Howell and another to Sir Robert Armstrong.

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NORMAN FOWLER 20 August 1981