



10 DOWNING STREET

Prime Minister.

I am all in favour of building up Coal stocks at the Power stations but it should not be done by Ministerial Committee!

NCB should decide to reduce their surplus stocks by offering CEGB a small discount to take some more coal off NCB hands. Having surplus production this would be a commercial decision.

CEGB should decide to take advantage of this bargain after seeking permission to increase their EFL accordingly. This permission might well be given by David Howell on the basis that the CEGB increase would be matched within his department by an NCB reduction.

An additional 4Million Tons might be reached over one or two years. But without a public discussion and provocation of the NUM.

If a completely private meeting between David Howell and The Chairmen of NCB and CEGB could reach a decision to move in this direction, it would surely be better than a Ministerial decision.

DW.

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