

PRIME MINISTER

EFFECT OF BRITISH RAIL INDUSTRIAL ACTION ON COAL DELIVERY TO CEGB POWER STATIONS

I thought it would be useful to give you a progress report on the effect of the present industrial action by British Rail guards on the coal restocking programme for CEGB power stations. To date 4 trains have been affected, losing only some 4,000 tonnes of coal destined for Didcot power station, and this has had only a minimal effect on the delivery programme. As at the end of last week coal stocks at CEGB power stations were 18.2 million tonnes, which is some 600,000 tonnes above our original target to achieve 23 million tonnes by the end of October.

However, at present about two-thirds of the deliveries of coal to the power stations (some 1 million tonnes per week) is being carried by rail and any national stoppage on the railways will obviously have a major effect on the delivery programme. Given that some 350,000 tonnes of coal a week are already being transported by road the CEGB's view is that they will be unlikely to be able to increase this by more than 300,000 tonnes a week, leaving a shortfall in deliveries of some 700,000 tonnes a week. Even this level of continued deliveries will be dependent on whether or not the miners are prepared to load to road coal that would normally have gone by rail. This is likely to be difficult in both Yorkshire and South Wales.

I am keeping in close touch with the CEGB and the NCB as the situation develops to ensure that any necessary action is taken to try to maintain coal deliveries to the power stations. The CEGB are already taking action in a low-key way in the regions to secure some additional road transport and the NCB are taking steps to ensure that facilities are available to load coal to road at as many pits and opencast sites as possible, even those which do not normally load coal to road.

The full implications of any worsening of the dispute are only likely to become clear after the result of the ballot has been announced on Tuesday 27 August and it is known what action the union intends.



to take. But it is already clear that there is a real risk of significant damage to our coal restocking programme. I have asked the CEEGB to consider the need for increased oilburn to preserve stocks. I will keep you informed as the situation develops next week.

I am copying this minute to the Chancellor, George Younger, Nicholas Ridley and to Sir Robert Armstrong.

Yours sincerely

pp Secretary of State for Energy
(Approved by the Secretary of State
and signed in his absence)

22 August 1985

conqueror

CONFIDENTIAL



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

*NRPT
JRS
3/9*

The Rt Hon Peter Walker MBE MP
Secretary of State
Department of Energy
Thames House South
Millbank
LONDON
SW1P 4QJ

3 September 1985

Dear Peter

Thank you for your letter of 22 August about the possible effect of industrial action on BR on coal stocks at power stations.

The guards' vote has of course transformed the situation. But it is worth saying that Bob Reid is alert to the importance of maintaining the movement of coal by rail to the power stations. I know that he will do all that he reasonably can to continue BR's very high coal carryings in recent months. But if BR were to be faced with, for example, unofficial guards' action despite the vote, or with action by ASLEF drivers, they could obviously give no guarantees about coal traffic being uninterrupted. The only way to ensure uninterrupted coal traffic would be to tell Bob Reid to back down completely in the face of actual or threatened action: this would be quite the wrong message. — *and its largely academic now!*

I am copying this letter to the Prime Minister, Nigel Lawson, George Younger and Sir Robert Armstrong.

Nicholas Ridley

NICHOLAS RIDLEY

CONFIDENTIAL

Transport Pts
B. R.

