



7a.

PRIME MINISTER

COAL STOCKS AT POWER STATIONS

I am making an official visit to Germany next week and am unable to attend the meeting foreshadowed in your Principal Private Secretary's letter of 7 April.

It is clear that the arrangements for the transfer of an additional 4/5 million tons of coal to power stations would become public and that the objective could not be disguised. This would be portrayed as a clear readiness on our part to face out a miners' strike and even perhaps of our intention to court it, either to attempt to enforce a low pay settlement or help the NCB to secure pit closures. I am in no doubt that this would prove highly provocative and would be successfully used by some leaders in the NUM to foster militancy over a period of months. The risks of a confrontation would be increased.

The gain in endurance would be very marginal. And there would need to be planned interruptions to the supply of electricity sometime before the limits of endurance neared. I cannot believe that if a miners' strike continued for six or seven weeks that there is good reason to believe that it might begin to collapse in the next two or three weeks. Nor do I believe that miners would view as critical to a strike decision the difference between an endurance period of seven or nine weeks. They are well informed of the stock position.

Whilst, short of overt action, we should certainly encourage the CEGB to stock prudently, it is my firm view that we should not contemplate the discussions with the two industries which would be



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necessary to achieve a significant (in tonnage and financial terms) transfer of coal.

I am sending copies of this minute to Geoffrey Howe, Sir Keith Joseph, Francis Pym, David Howell and Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of several loops and a vertical stroke.

J P

13 April 1981