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PRIME MINISTER

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WITHSTANDING A COAL STRIKE

At your meeting on 14 April I was invited to commission and oversee a comprehensive study of how to withstand a coal strike this winter as effectively as possible. I now attach the report of the official group (MISC 57) which was established to undertake this work; the main points of the report are summarised in the covering note.

As you will see, the group has concluded that a strike this year could probably not be withstood for more than 13-14 weeks. This takes account of the extra coal which we have already decided should be moved to the power stations during the course of the summer. In theory, endurance could be considerably increased by recourse to either or both of two drastic measures: viz very severe restrictions on electricity supplies, or the use of servicemen to move National Coal Board pithead stocks to the power stations. But the practical problems involved in the use of servicemen this year seem likely to prove insuperable; and the question of whether their use might be made a more realistic option in future is now being studied further by officials. As the report makes clear, there must equally be a large question mark over the practicability of very severe electricity supply restrictions, given the serious damage they would do both to industry and to public morale.

Indeed, if experience in the early 1970s is any guide, even the endurance figure of 13-14 weeks might well prove, in the event, to be more of a theoretical maximum than a realistic prospect. And the cost of seeking to endure for that sort of period would clearly be high in both financial and political terms.

All in all, therefore, the report reinforces my feeling that your meeting on 19 June with the Chancellor of the Exchequer and the Secretary of State for Energy was right to regard a "peaceful" settlement at the lowest possible figure as the priority objective for 1981. This increases the importance of building up stocks, and thereby endurance potential, for the future; and of the work on a plan of action for 1982 which that meeting commissioned. I understand that the group of officials which prepared the attached report hope to put forward their preliminary findings as regards 1982 in the very near future and that the Secretary of State for Energy will be circulating a note to colleagues before the Recess. It should then be clear what are the main issues on which further work will need to be concentrated before a full report can be made available in the autumn. Officials will also be reporting further in the autumn on a number of other areas where the attached report identifies a need for further work; e.g. publicity, both for 1981 and 1982, and the prospects for increasing the practicability of the use for troops for moving stocks. I understand that, in

SECRET

SECRET
- 2 -

addition, the CPRS have been commissioned to study certain longer-term aspects of the coal problem. We should thus be in a position, soon after the Recess, to take a broad view of tactics and strategy towards the NUM and the NCB over the next 18 months or so.

Finally, I should draw attention to the one (relatively minor) point which has to be settled immediately. Should we instruct the Electricity Boards to maximise power station oil stocks over the summer? The issues are set out in paragraph 11 of the cover note and in paragraphs 33 and 34 of the main report. The Chancellor of the Exchequer and the Secretary of State for Energy will no doubt wish to let you have urgent advice on this; and you may then feel able to take a decision without the need for collective discussion.

I am sending copies of this minute and of the attached report to the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Industry, Employment, Energy, Defence, Scotland and Transport, and to Sir Robert Armstrong and Mr. Ibbs.

Walls
22 July 1981

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