

*Dani Amicki*

*mf*

MR LANKESTER

WITHSTANDING A COAL STRIKE

1. The Home Secretary's note explains that the report he attaches considers the scope for withstanding a strike in 1981 only. Two important further pieces of work will become available during the next week or so:
  - (a) A note on the scope for a big boost in power station endurance in 1982. (This is feasible, but will be quite costly and will raise again the pros and cons of visibility.)
  - (b) A fuller CPRS report on the whole "coal problem", and the alternative strategies for living with it or gradually reducing it.
  
2. Of the three reports, the one below is probably the least important - because there is now very limited scope for action before next winter. But the constraints it has identified will loom large in the two reports still to come. For that reason alone, I think the Prime Minister will find at least the Chairman's summary report well worth reading. *(Yes - it is worth reading)*
  
3. Robert Wade-Gery has interpreted his terms of reference strictly, confining attention to withstanding a coal strike. We think that the main reason for building up stocks should be to deter strike action in the first place, by making a majority of miners conscious that a full-scale national strike is simply not worth it. That is why we think that the inevitable visibility involved in building up stocks next year is on balance a good thing - provided miners believe that the Government would be resolute.

*Play A*

Next steps

- 4.1 The only immediate issue to decide on this report is whether to instruct Electricity Boards to maximise power station oil stocks over the summer. We will offer advice when the Chancellor and the Secretary of State for Energy have expressed their views.



SECRET

5.

More importantly, the Prime Minister will need to decide whether to hold a meeting before the holidays to discuss the other two reports due very shortly. If at all possible, we think that she should, because Department of Energy will probably need the maximum lead time to make more detailed plans for raising stock levels for 1982. We are all too familiar with Department of Energy's natural tendency to delay.

ADJ.

ANDREW DUGUID

Shall we try to  
fix a meeting  
as suggested at X?

Yes  
no

12

24/7

SECRET