

PRIME MINISTER

INDUSTRY AND COAL STOCKS

I have discussed the annex on the coal dispute with Mr. Tebbit's office. They accept that the language of paragraph 6 is inflated. They estimate that, on average, industry held about six weeks' stock at the start of the dispute. Supplies are getting through at about half the normal rate. This will provide endurance for 12 weeks of which four weeks have gone, leaving a further eight to go. But stocks are distributed unevenly and as time goes by more companies will get into difficulties. So far this has been confined to one or two small foundries and NCB have been able to get coal through to those in need. There will come a point where the number of companies reducing production or shutting down begins to rise, and as stocks of supplies, e.g. for castings, dwindle, there is subsequently a knock-on effect. Mr. Tebbit has been briefed to discuss this more fully at MISC 101 tomorrow.

*Duty Clerk*  
PP.  
ANDREW TURNBULL

10 April 1984