

AUTHORITY OF GOVERNMENT

Minutes of the meeting in  
Lord Carrington's room in the House of Lords  
On Wednesday, 8th March 1976

Present: Lord Carrington (In the Chair)  
Lord Jellicoe  
Mr. Gilmour  
Mr. Peyton  
Mr. Hardy  
Mr. Sumption  
Mr. Douglas (Secretary)

Guest: Mr. H.B. Greenborough

Apologies for Absence: Mr. Younger  
Mr. Waldegrave

Lord Carrington welcomed to the Committee Mr. H.B. Greenborough, Deputy Chairman and Managing Director of Shell (UK) Limited. He explained that in a nutshell the committee were trying to find out what could bring the country to a halt and what action a Government could take to prevent this happening.

Mr. Greenborough said that for some time there had been an Oil Industry Emergency Committee which represented all the major oil companies and had a direct link with the Department of Energy. The Committee had plans developed in considerable detail by its various sub-committees which could be brought into operation quickly in the event of either an external or an internal threat. These plans were kept continuously updated and went into considerable detail as to the action to be taken in various specified contingencies. For example, in the event of the drivers of the road tankers going on strike they had contingency plans for using military drivers and they had already prepared lists of priority users.

Replying to Lord Carrington, Mr. Greenborough thought it was unlikely that the fleet of sea tankers would go on strike at the same time as the road tankers as these were owned by a number of companies from different countries and only a widespread international strike could bring them all out at the same time. The North Sea oil rigs were not at the moment highly Unionised and he did not think that, as yet, there was any great danger of them becoming strike prone. The power stations were not greatly dependant on road transport; they obtained their supplies of oil primarily by rail and in some cases direct by sea. The industry's terminal depots were supplied direct by ship from coastal tankers whose labour force was mostly organised by the National Union of Seamen. By Law the industry had to keep eighty-five days stocks in hand but there would be very serious problems before the stocks ran out completely and in rough terms one could say that there were about two months effective stock in an emergency situation. The labour force in the refineries were primarily Transport and General Workers Union but a strike of the T & GWU would not bring the refineries to an immediate halt as they could continue to be operated by the managerial and supervisory staff and it would be mostly the effect of deferred repairs and maintainance which could gradually bring a refinery to a halt.

.../Lord Jellicoe



Lord Jellicoe asked whether essential services could be kept supplied with oil in the event of the road drivers and also the railways going on strike at the same time and the road tankers manned by, say, four thousand troops.

Mr. Greenborough said that the essential services probably could be maintained in these circumstances but one was talking of a very restricted range of essential priority services and the cuts would be quite extensive.

Replying to Lord Carrington, Mr. Greenborough said that he thought the part of the industry that was most vulnerable to militant strike action were road tanker drivers. On the other hand the road tanker drivers did not have a history of militant action; they were well-paid; there was no great concentration of them in one place but they were scattered in fairly small units around the country; there was a history of good relations with the employing company with whom they identified and perhaps even more important the drivers tended to identify not only with the company but with their customers.

Mr. Peyton asked about the vulnerability to strike action of the pipelines.

Mr. Greenborough replied that leaving aside the question of terrorist attack, the pipelines were not very vulnerable to strike action. They could be run largely by managerial and supervisory staff and so long as the road tanker drivers were not on strike at the same time road transport would provide an alternative method of transport.

Mr. Greenborough said that oil users had tended to rely on the reputation of the oil industry for good service and had not in the past kept large stocks themselves. Since 1974 some oil users had increased their storage capacity and he thought this was probably an economic insurance premium to pay as protection against the threat of interruption in supply.

Replying to Lord Jellicoe, Mr. Greenborough said that he would like to see dual firing much more extensively both in the power stations and in the large industrial users. He thought there was a good economic justification for this as it would enable the using industry to adjust to any disparities between fuels that might arise in the energy market. By itself it would not necessarily provide a safeguard against interruption in supplies by strike action. For example, in the event of a miners strike it would be difficult to see the T& GWU being prepared to put oil into traditionally coal fired installations. On the other hand if shifting between fuels became a normal part of the operation then it would be more difficult to see a change of fuel as a form of strike breaking.

Lord Carrington closed the meeting by thanking Mr. Greenborough for his extremely helpful and interesting discussion and commented that the oil industry appeared to have made much more careful plans for an emergency than some of the industries the committee had looked at before.

Next Meeting: The date and subject of the next meeting will be announced later.