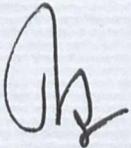


PRIME MINISTER

NCB: E DISCUSSION TOMORROW

1. We agree with the two CPRS recommendations:
 - (i) To take steps to strengthen our negotiating position and reach decisions on our attitude to standing up to the NUM.
 - (ii) To review investment before the EFL is settled.

2. There are several points to note on (i) above:
 - (1) You have already instructed Department of Energy to maximise CEGB's coal stocks, at your meeting of 14 April. It is not clear whether CPRS are aware of this. Not all E members know about it.
 - (2) Mobilising public opinion against excessive demands must start soon. We shall be proposing speech material and other action before and after the NUM Conference. (Your own PPB on 8 July coincides with the NUM Conference.)
 - (3) You do not have to decide now that the Government will take on the miners. That must depend on the circumstances. But if you continue to plan on the basis that you are willing to do so, that itself will have the right impact on their expectations. It will help to ensure a more moderate outcome. It's just like the nuclear deterrent: we cannot afford to look like unilateral disarmers.



JOHN HOSKYNS