SECRET AND PERSONAL C 3/K 3/C.

Treasury Chambers, Parliament Street, SWIP 3AG

01-233 3000

PRIME MINISTER

put.

WITHSTANDING A COAL STRIKE

The Home Secretary wrote to you on 22 July enclosing a copy of the report by an official group (MISC 57).

- 2. The report which looks at the main options open to us to increase our capacity to withstand a coal strike is a useful one. While there are many imponderable factors (especially in the attitude and sympathies of the wider public) which cannot be properly assessed, it seems clear that our capacity to withstand a strike this winter will be relatively limited. Nor will our strength be significantly increased by adding to oil stocks at power stations this would not in itself extend endurance but simply ensure that maximum oil could be burned immediately. Given the very large nationalised industry bids for finance and our difficult public expenditure position generally, I do not think that this is a sufficiently compelling reason to agree to the additional \$25m-\$50m plus interest that this would cost.
- 3. The report lends weight to the need to consider how to increase our capacity to withstand a strike after this winter and in general to use all means, including the publicity campaign on which work is now in hand, to improve our position in relation to the miners. We shall want to consider these matters further after the Recess on the basis of the work on which officials are at present engaged.
- 4. I am sending copies of this minute to recipients of the Home Secretary's minute to you.

(G.H.) **30**July 1981

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