



10 DOWNING STREET

From the Private Secretary

2 November 1983

Dear Michael,

ENDURANCE IN THE EVENT OF A MINERS' STRIKE

The Prime Minister held a meeting yesterday to discuss endurance in the event of a miners' strike. Also present at the meeting were the Chancellor of the Exchequer, the Home Secretary, the Secretaries of State for Defence, Trade and Industry, Scotland and Employment, and Sir Robert Armstrong and Mr. Gregson. The meeting had before it three papers from the Official Group on Coal on ancillary materials, industrial endurance, and power station endurance in the medium term. Your Secretary of State gave an assessment of the risks of a strike. On closures, the danger was likely to increase in the second half of 1984. On pay he said that it was too early to judge whether the overtime ban was having an effect as much of the work subject to overtime was carried out at weekends. His view was that a strike on pay was unlikely this winter.

The meeting then discussed the desirable level of endurance. It was noted that coal stocks currently provided about six months endurance and that this would rise to 7½ to 9 months by 1986-87 as additional nuclear capacity came on stream. It was argued that increasing endurance would run into diminishing returns. The value of high stocks lay as much in their deterrent effect which would not be significantly increased by adding another 2-4 weeks. It was unlikely that in a strike the miners would rely simply on attrition; they would try to interrupt flows of oil and put pressure on other workers. Against this, it was argued that a small increase, if achieved cheaply and inconspicuously, would be worthwhile.

The meeting then considered specific options for increasing endurance. Dual firing was too expensive and actually reduced capacity while it was being installed. Full manning of oil-fired capacity was also very expensive. The Secretary of State for Scotland said that additional manning at Inverkip and Peterhead could not be justified and would be undesirable. It should however be possible during a strike to increase oil fired output at the two stations with the use of existing manning so as to provide through the Scottish interconnector a contribution somewhat greater than that assumed in present plans, and every effort would be made to do this. For the longer term, an increase in the capacity of the Scottish interconnector might be worthwhile at the end of the decade when Torness came fully into operation.

/In the short term

In the short term the best course appeared to be to continue to build up power station coal stocks by the gradual acquisition of additional land where this was unlikely to provoke public controversy over a planning application. It ought to be possible for the CEGB to absorb the modest costs of limited and gradual action of this kind. It would also be desirable to increase stocks of ancillaries at coal fired power stations somewhat above present levels so that (after making realistic assumptions about replenishment) they would match the likely increase in power station coal stocks.

Looking further ahead it would be desirable to explore more fully the proposal for the supply of lighting up oil by pipeline, although it was thought that it would take two years to complete the work.

In the case of nuclear power stations concern was expressed about the level of carbon dioxide stocks. It was noted that there was a good chance that supplies could be replenished and that adding to storage could be expensive and conspicuous. It was therefore agreed that it would not be desirable to embark on a programme of constructing additional stocking capacity at existing stations. If and when opportunity arose to provide greater stocking capacity at a nuclear power station still under construction, this should be taken. It was also desirable to discuss further with the CEGB the arrangements for replenishment in the event of a strike and to assess how vulnerable they would be to determined industrial action.

On industrial stocks it was agreed that incentives had been carried about as far as was useful while remaining cost effective.

It was argued that it was vital to achieve the increased oil burn envisaged. It would be wise to investigate where trouble spots might arise and what action might be taken in advance to make sure that the necessary oil burn was achieved.

Summing up the discussion, the Prime Minister said that the meeting was agreed that certain further measures would be justified to increase power station endurance despite their limited effect. The first priority should be to concentrate on measures which would bring benefit over the next year or so. Action should therefore be put in hand now to increase power station coal stocking capacity by the acquisition of additional land on the limited basis identified in the discussion and to make appropriate increases in the stocks of ancillaries at coal fired power stations. The Secretary of State for Scotland's proposals relating to the Scottish oil fired power stations were endorsed. The Official Group on Coal should examine further the pipeline proposals; the case for increasing the capacity in the Scottish interconnector; the arrangements for replenishment of carbon dioxide at nuclear stations and the scope, if any, for providing additional stocking capacity while such stations were still under construction; and possible difficulties which might arise in maintaining the required oil burn.

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SECRET AND PERSONAL

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I am copying this letter to John Kerr (H.M. Treasury), Hugh Taylor (Home Office), Richard Mottram (Ministry of Defence), Callum McCarthy (Department of Trade and Industry), John Graham (Scottish Office), Barnaby Shaw (Department of Employment), Richard Hatfield (Cabinet Office) and Mr. Gregson, for the usual limited circulation.

Yours sincerely

Andrew Turnbull

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