



Press Office

Coal file

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

20 September

A Turnbull Esq.,  
10, Downing Street.

Dear Andrew,

You asked this morning for a note on the figures you said you had overheard being hinted as the 'true costs of the coal strike', which put them at substantially higher than the costs quoted by the Government.

As Robson has not been able to identify the detailed figures to which you were referring, so has produced only the attached, which closely follows the Chancellor's statement in the House on 31 July, giving a line to take on why the strike is a 'good investment'.

If you require any more, or can identify more precisely the original report you were referring to, so that you can let us know.

Yours,  
Judith



C O N F I D E N T I A L

Why is the coal strike a good investment

The Chancellor told the House on 31 July that the public expenditure cost to that date was about £300-350 million. He gave no figure for the continuing weekly costs but these are widely put at about £25 million.

2. These are once and for all costs.

3. Closing uneconomic pits would save money year in, year out. The amount involved is substantial and would rise to hundreds of millions of pounds a year. So the costs of the strike would be paid for by about one year's savings. In this sense, the strike is a "good investment".

Line to take

4. The Chancellor has given figures for the once and for all cost of the strike. By comparison the NCB underlying problems including its uneconomic pits require a taxpayer's subsidy year after year, currently £100 billion. Of this some £600 million is to cover the NCB's losses and the rest is to help restructure the industry.