

SECRET

10

PRIME MINISTER

cc: Mr. Hoskyns
Mr. Duguid

WITHSTANDING A COAL STRIKE

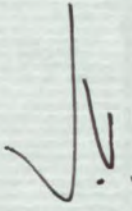
I hesitate to add to the papers already before you for your meeting on the MISC 57 report tomorrow afternoon. But I think you may find the attached three tables helpful:

Table 1: shows the end year coal stock position since 1974. You will see that we are expecting to have even higher stocks at power stations at the end of this year than we had at the end of 1978.

Table 2: shows the way in which power station stocks have been accumulating this year. These figures are extracted from the weekly reports you see: they do show that some 4 million tonnes extra has been built up at power stations since the summer - and without much corresponding decrease in pithead stocks.

Table 3: summarises the endurance position, since I think you may find it helpful to have an instant reference during the meeting. You will have seen that Nigel Lawson has not yet taken a position as between 27 mt and 24 mt; and that Norman Tebbit supports 24 mt - continuing the present build up rate.

As note 4 to Table III explains, we will have about 16 weeks endurance available on 1 February 1982, without consumption restrictions and without using servicemen. If we want this to deter the miners from voting for industrial action which could take them into the late spring without strike pay, we would of course have to let it be known before the ballot on 14-15 January.



16 December 1981

SECRET

TABLE I : END YEAR COAL STOCKS

	(million tonnes)	
	<u>Pitheads</u>	<u>Power Stations</u>
December 31 1974	5.98	13.63
" 1975	10.62	17.95
" 1976	10.66	19.60
" 1977	9.74	19.13
" 1978	12.44	20.20
" 1979	9.57	16.26
" 1980	17.32	18.62
" 1981 (forecast)	20.80	?21.0

TABLE II : 1981 COAL BUILD UP, BY WEEK

	(million tonnes)	
	<u>Pithead stock</u>	<u>Power Station stock</u>
Week 0	17.32	18.62
Week 4	17.95	17.08
Week 8	19.47	16.17
Week 12	20.78	15.54
Week 16	21.93	16.11
Week 20	22.40	16.10
Week 24	22.32	16.56
Week 28	22.28	17.87
Week 32	21.25	18.35
Week 36	20.77	18.82
Week 40	20.79	19.70
Week 44	20.64	20.24
Week 48	20.82	20.89
Week 52	n. a.	n. a.

SECRET

TABLE III: RELATIONSHIP OF POWER STATION STOCKS TO ENDURANCE

Power Station Coal Stock	Endurance without further action	Additional Endurance from:		TOTAL POSSIBLE ENDURANCE
		(i) Coal imports during strike	(ii) Maximum oil & gas burn	
1. Maximum physical capacity - up to 31mt	15½ weeks	+1 week	+7 weeks	23½ weeks
2. MISC 57 proposal - 27mt	13½ weeks	+1 week	+6 weeks	20 weeks
3. Continue present build up rate - 24mt	12 weeks	+½ week	+5 weeks	17½ weeks
4. Hold present stock level - 21mt	10½ weeks	+½ week	+5 weeks	16 weeks

NOTE:

1. The use of servicemen to move coal from pithead stocks provides an extra endurance, estimated at 3 weeks in the case of the MISC 57 proposal, but subject to great uncertainty over the effect of picketing.
2. Winter power station consumption is about 1.9 mt per week. By allowing for 2 mt per week throughout the endurance period and without restrictions, MISC 57 has estimated endurance conservatively.
3. This table disregards the supply of ancillary materials, on the assumption that servicemen could resupply power stations if necessary.
4. The later the endurance period starts, the longer it will be: by May, for instance, consumption is little more than 1.5 mt per week. Therefore, although by 1 February 1982 power station stocks may have declined a little due to normal winter burn, 16 weeks endurance without servicemen or restrictions should still be available, taking us (theoretically) to 24 May.

SECRET