

SECRET



File 28

10 DOWNING STREET

From the Private Secretary

15 January 1982

BF?

Dear Sir,

WITHSTANDING A COAL STRIKE

I understand that the Parliamentary Under Secretary of State in your Department (Mr. Moore) wrote to the Chief Secretary on 11 January about the National Coal Board's operating/deficit grant for 1982-83. One proposal which I believe was contained in that letter was that the NCB should be offered a grant of £20 million in 1982-83 to cover their losses in exporting 2 million tonnes of coal which the South of Scotland Electricity Board will not now be able to burn in its power stations.

As you know, the Government has been seeking to maximise power station coal stocks. At the Prime Minister's meeting on 17 December Ministers re-affirmed that strategy and agreed to maintain the current enhanced rate of deliveries to the power stations against the possibility of an early miners' strike. They also agreed to review at a later date exactly what level of increased power station coal stocks to aim for by November. I know the Prime Minister would therefore wish to be reassured that Mr. Moore's proposal is consistent with this strategy. Perhaps MISC 57 would look into this urgently as part of the further work which they already have in hand.

I am sending a copy of this letter to the Private Secretaries to the Chief Secretary and to the Secretaries of State for Wales and Scotland; and to Sir Robert Armstrong and Mr. Ibbs.

CS

Julian West, Esq.,  
Department of Energy.