

*Copied to Transport: D.R. Facer  
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PRIME MINISTER

c.c. Mr. Hoskyns  
Mr. Duguid

YOUR MEETING ON COAL STOCKS AND THE ASLEF DISPUTE

Although there are two distinct halves to the agenda - coal stocks this spring, and coal stocks next autumn - and two distinct problems - ASLEF's industrial action now, and possibility of industrial action by the miners in the autumn - the rail and coal issues and decisions are now inextricable; and we do not think their relationship is properly brought out in the notes from Mr. Lawson and Mr. Howell.

ASLEF

Everything now points towards temporary closure of the railways. Peter Parker seems to expect it; the newspapers are calling for it; the public would probably support it if we catch the wave of public opinion at its crest; and nothing else now seems to hold any hope of bringing ASLEF to the negotiating table.

We think this is right. As in the steel strike, it could bring about long overdue and major changes in the industry. It must be done in a sophisticated way - without too high a Government profile, but leaning firmly on Parker behind the scenes; with due warning, to maximise the chance of a sufficient number of ASLEF drivers reporting to work to enable some coal to be delivered; and with continuing payment to NUR, at the basic rate. If we let things go on as they are, we fear that McCarthy will eventually bribe ASLEF back to the negotiations by promising them a favourable settlement; and we think that the dispute could drag on until well into March.

But we shouldn't go down that route unless we are sure about coal stocks.

Coal stocks this spring

As Mr. Lawson says, we have about five weeks' worth of coal at present. If we maximise oil burn, at a net cost of £260 million,

/ we shall have

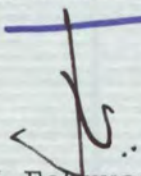
we shall have seven weeks. We think it unlikely that ASLEF could sustain an all-out strike for anything like that long. But even if they did, other measures are available to avoid either power cuts or giving in. First, we would use as many ASLEF drivers as are prepared to work to move coal. Second, we would make maximum use of civilian road haulage capacity. Third, we could, if necessary, use our plan for movement of coal by road using the troops. We agree with Mr. Lawson that it would be a mistake to increase imports, since we do not wish to push the NUM into this dispute. And we think Mr. Howell ought to investigate how long it would take to train up new drivers, using NUR staff.

Coal stocks next autumn

We strongly endorse Mr. Lawson's recommendation for maximum deliveries of coal to power stations from immediately after the end of the ASLEF dispute until further notice, both by road and rail. Even so, the MISC 57 report indicates that we shall have only 18 to 19 million tonnes at the power stations at the beginning of November. We think it would be wrong to decide now to maximise oil burn throughout the summer, because that would be extremely expensive. The better approach surely would be to reassess the prospects for November coal stocks when the ASLEF dispute has ended.

Further action

You may feel that these judgements and conclusions need some further and careful analysis by officials before Ministers take decisions leading to the closure of the railways. A possible way forward would be to ask Robert Wade-Gery to organise the necessary work urgently, and to prepare a report which could be available to Cabinet on Thursday.

  
5 February 1982

*Yes please*