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MR BUTLER

Mr. Venokas
Many thanks

FRB

27.10.

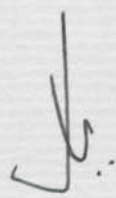
THE MINERS

You asked to see the recent advice we have put to the Prime Minister. I attach -

(i) A copy of my notes of 14 October and 22 October summarising the position and prospects for the ballot; and

(ii) A copy of MISC 57's paper for the Prime Minister's meeting on Thursday morning.

I shall be doing a separate brief for the meeting, of which I will also send you a copy.



26 October 1982



cc JV
 Prime Minister (2) 9

Prime Minister

This is for your Thursday

POWER STATION ENDURANCE

meeting - MCS 25/10

The Official Group on Coal (MISC 57) has reviewed power station endurance in the event of a miners' strike. I attach their report.

Coal stocks at power stations now exceed 28 million tonnes, despite the miners' overtime ban. In principle this would be sufficient, with maximum oil burn, for 20 weeks endurance. In practice the period of endurance will depend on the delivery of other essential materials, of which lighting-oil is the bulkiest and therefore most critical. The greater the degree of success in getting such supplies to the power stations through the (presumably unlawful) picket lines, the closer will be the period of endurance to the full 20 weeks - hence the importance of the consultations with the police mentioned in the MISC 57 report.

The CEGB have devised an operational strategy for minimising consumption of lighting-up oil. This would stretch existing stocks (equivalent to 9 weeks normal consumption) to 16 weeks. But we need to consider carefully, early in any strike, what can be done to replenish lighting-up oil and other essential materials with a view to increasing endurance further.

I agree with officials' conclusion that no restrictions on electricity use should be imposed at the outset.

I am sending copies of this minute and attachment, for the usual limited circulation, to the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Industry, Defence, Transport, Employment and Scotland, Sir Robert Armstrong and Mr Sparrow.

I.P. Clark

pp Secretary of State for Energy

25 October 1982

(Approved by the Secretary of State and signed in his absence)

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POWER STATION ENDURANCE

Note by the Official Committee on Coal (MISC 57)

INTRODUCTION

1. This report:-

- (a) sets out the present stock position in the power stations and in industry;
- (b) seeks decisions from Ministers on a number of issues, related principally to the response to the picketing of power stations by the miners; and
- (c) sets out the operational strategy which the Central Electricity Generating Board intends to follow.

FUEL SUPPLIES

2. By the end of October coal stocks at the power stations will in principle be sufficient for 20 weeks endurance; and the Electricity Boards expect supplies of fuel oil to oil-fired power stations to continue uninterrupted during a miners' strike. But in practice endurance will depend on how far measures are necessary to conserve supplies of lighting-up oil. This is discussed below. It will also depend on the weather; a severe winter as in 1981-82, could reduce endurance by about one week; a mild winter, such as in 1980-81, might increase it by a similar amount.

3. This estimate of total endurance is less than in our previous report because the CEGB is now sceptical that an increased rate of coal imports during a miners' strike would be practicable or would add much to the endurance of the electricity system as a whole. The main considerations are:-

- (a) coal imports can be landed only at the Thameside power stations. It would be impossible during a miners' strike to distribute imports to inland power stations. Because stocks at all power stations are now close to the limits of physical capacity, there is virtually no scope for altering distribution patterns to leave a shortfall at the Thameside power stations thereby accommodating increased imports.

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Thus extra imports would not increase endurance of the electricity system as a whole; and

- (b) increased power station oilburn depends on extra oil imports by sea. The trades unions are expected to co-operate with this. If an increase in coal imports led to pressure from the NUM to handle no more than normal levels, the extra oil imports - which are by far the more important - could be jeopardised.

4. The Department of Energy is pressing the CEGB to ensure that any realistic opportunity is taken to increase imports in a helpful way. However, at this stage the assumption must be that it is unlikely that increased coal imports will add much to endurance.

5. The average endurance of coal-burning manufacturing industry would probably be about 6-8 weeks, though in some cases it would be much less. The available information about the main coal-using industries is in the Annex. But press reports that power station coal stocks are much higher than this may have encouraged some extra stocking where physical and financial constraints permit.

6. Finally, useable pithead stocks now stand at well over 10 million tonnes. The resumption of coal deliveries could therefore begin as soon as a strike had ended.

SUPPLIES OF ANCILLARIES

7. A wide range of ancillary materials is required for the normal operation of all types of power station. Stocks by the end of October will be sufficient for 9 weeks. (Increased storage facilities are under construction, but they will not be ready until next year). The main problem in England and Wales is likely to be the replenishment of stocks of lighting-up oil, which is required in much greater volume than other ancillaries; in Scotland deliveries of lighting-up oil by sea, direct to the main power stations, are expected to continue. The CEGB are taking all possible steps to arrange additional temporary storage at the power stations. The measures that might be taken to replenish stocks or to make existing stocks last longer than this are discussed below.

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PICKETING

8. The National Union of Mineworkers (NUM) has not yet decided whether to picket the power stations in the event of a strike, but the assumption must be that they will do so. Some nuclear and oil-fired power stations in remote areas may escape picketing, but the main coal-fired stations, many of which are located in mining areas, are likely to be picketed continuously and on occasions by large numbers.

9. The NUM will almost certainly seek support from other trade unions. The main practical effect of this is likely to be an agreement on the part of the trade unions concerned, including the railway trade unions, not to cross NUM picket lines, however nominal they might be. Although the point has not been put to the British Railways Board, it seems unlikely that they or probably other managements would succeed in overcoming the unwillingness of their employees to cross picket lines.

10. Thus, normal deliveries to the power stations of both coal and ancillary materials are likely to be substantially interrupted. The Electricity Boards will therefore have to consider how far it might be feasible to circumvent picketing and their attitude to invoking the legal remedies available under the Employment Act 1980 (and potentially under the Employment Bill 1982).

Circumvention

11. Assuming that normal deliveries by rail are successfully prevented, about 35 lorry loads per week (30 of them consisting of lighting-up oil) would be required to keep power station stocks of ancillaries well topped-up; the Department of Energy is exploring with the CEGB whether sufficient stocks could safely be maintained with a lesser rate of deliveries. It seems possible that the Electricity Boards will find non-union drivers willing to undertake deliveries of ancillary materials; but it seems unlikely that drivers would be found willing to attempt deliveries of coal through an NUM picket line. If they do, the police would normally attempt to clear a way through the pickets. In the event of mass picketing, well-tried arrangements exist for the reinforcement of one police force by others; in total about 20,000 police could be made available to handle picketing, of whom 10,000, specially trained in crowd control techniques, would form the pool from which reinforcements would be drawn. If the result of the NUM ballot favours a strike, the Home and Scottish Offices will arrange urgent consultations with chief officers, which

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will provide the framework within which local discussions with the Electricity Boards on detailed contingency plans can take place.

12. If willing drivers cannot be found the Electricity Boards could, in principle, seek Service assistance to replenish stocks of ancillary materials. If the suppliers of the materials to be moved were prepared to make their vehicles available this would probably not require a State of Emergency. If, however, the suppliers were unwilling, a State of Emergency would be required to permit the requisitioning of the necessary vehicles. In either situation the Services would require the Police to clear a route through the pickets.

Legal Remedies

13. Under the Employment Act 1980, miners picketing places other than their own place of work (eg. power stations) have no immunity from civil action and anyone who suffered or reasonably anticipated loss as a result of interference with employment or commercial contracts to which he was a party could seek an injunction against individual pickets or those who organised the picketing. Anyone not complying with the terms of such an injunction could on evidence being provided to the court be fined or imprisoned for contempt. The Employment Bill 1982 when commenced will bring the legal immunities from civil actions for trades unions into line with those for individual officials. It will then be possible in the above circumstances for the NUM itself (or any other union involved in secondary picketing as well as individuals) to be made subject to an injunction or sued for damages.

MATTERS FOR THE ATTENTION OF MINISTERS

14. At this stage the main matters for the attention of Ministers are as follows:-

- (a) the likelihood of access to the power stations for deliveries of ancillary materials;
- (b) what advice to offer the Electricity Boards about the use of the available legal remedies;
- (c) the wider ramifications of Service assistance;

(d) whether the CEEGB's proposed operational strategy is broadly acceptable; and

(e) whether early measures should be taken to reduce by a small amount the demand for electricity.

(a) Access to the power stations

15. Access to the power stations will depend on the willingness of drivers to attempt deliveries, the strength of picketing and the tactics of handling both picketing and deliveries. Decisions about operational tactics and law enforcement are a matter for Chief Constables. In general they can be expected to seek to clear a way through to the power stations for drivers willing to attempt deliveries. There is, therefore, a chance that stocks of many ancillary materials will be replenished, since the quantities involved are often relatively small and deliveries required infrequently. But where there is a large number of pickets, or where picketing is violent, the Police will have to judge whether to force a way through, at a particular time, would create more public disorder than they could tolerably handle. At this stage it is difficult to make any firm judgement as to how far access to the power stations is likely to be maintained.

(b) Advice to the Electricity Boards about legal remedies

16. The question of whether to seek legal redress would be a matter for those whose contracts were affected by the industrial action. It is, therefore, an issue which is largely outside the control of the Government. The Electricity Boards would, of course, be particularly seriously affected by the successful picketing of power stations and the question might quickly arise whether they should take legal action; this is clearly a matter on which they would seek the Government's guidance. But it has to be recognised that other employers affected by unlawful picketing eg. companies delivering supplies to power stations, coal merchants, could always themselves take legal action against the NUM or individuals.

17. It could be argued that for the Electricity Boards not to seek legal redress in the circumstances of a miners' strike could well bring into disrepute not only the Employment Act 1980 but the whole approach of legislation on industrial relations matters.

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18. On the other hand, to seek an injunction could well play into the hands of the NUM. The NUM leadership has been seeking to present the dispute as less concerned with pay than with the future of the coal industry and the credibility of the union to defend miners' interests. There seems little doubt that the NUM would seize the opportunity to present themselves as in the vanguard of a fight to retain trade union immunities. In these circumstances, other trade unions, including those with members in the electricity supply industry, might prove more willing actively to support the miners than would otherwise be the case.

19. The best approach therefore seems likely to be to delay a final decision on the question of legal proceedings until a clear picture emerges of whether continued deliveries to the power stations are likely to prove practicable. But Ministers may wish to consider whether to offer the Electricity Boards preliminary advice at this stage.

(c) The wider ramifications of Service assistance

20. The Electricity Boards are currently most reluctant to call for Service assistance since they fear that to do so would jeopardise the co-operation of their own staff. This is not a matter for early decision. Normal Service notice of seven days could be reduced as the situation develops, thus enabling Servicemen to be deployed soon after a final decision to do so had been taken. But the option should clearly not be dismissed; in circumstances where the only means of keeping the power stations in operation would be by using Servicemen to replenish stocks of ancillary materials there would be little to be lost in terms of endurance by making the attempt.

(d) The CEGB's Operational Strategy

21. On the assumption that supplies of lighting-up oil cannot be augmented significantly beyond present stocks levels of 9 weeks but that deliveries of other ancillary materials - which are required in small volumes and at less-frequent intervals - can be maintained, the CEGB has considered how best to optimise stocks of both lighting-up oil and coal. This is best achieved by operating coal-fired power stations at a steady level and by reducing oilburn overnight in line with reduced demand.

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22. The only decision required at this stage concerns the operating strategy to be employed from the beginning of a miners' strike. It would be possible to move from a strategy designed to minimise the use of lighting-up oil to one designed to minimise coal burn if the replenishment of stocks of lighting-up oil were to prove possible.

23. The CEGB has devised an operating strategy for optimising the use of stocks of both lighting-up oil and coal, which would extend endurance to 16 weeks with present stocks of lighting-up oil. If replenishment of stocks of lighting-up oil were to prove possible, the strategy could be adjusted to prolong endurance to approaching 20 weeks. The CEGB believes that the right starting point is to adopt pessimistic assumptions about the extent to which the replenishment of stocks of lighting-up oil will prove possible. If the initial operating strategy rested on the assumption that replenishment would prove possible and in the event this proved not to be the case, endurance could be significantly less than 16 weeks, because stocks of lighting-up oil would have been seriously depleted. For example, one week's operation on the assumption that replenishment would be possible would extend endurance by 1-2 days beyond 16 weeks, if this proved to be correct. But if stocks could not be replenished total endurance would have been reduced by 1 week ie. to 15 weeks.

24. Ministers are invited to endorse the operating strategy proposed by the CEGB.

25. The costs of the CEGB's preferred strategy would be of the order of £10-15 million per week, mainly in increased oilburn. A strategy based on minimising coal use might cost £20-30 million per week, because a higher rate of oilburn would be involved. The financing of these costs is a matter for later consideration.

(e) Restrictions on Electricity Demand

26. It would be possible, by Order under the Energy Act 1976, for the Government to seek to reduce electricity demand by about 5 per cent by restricting advertising, public lighting and industrial and commercial electric space heating. Ministers need to consider whether they would wish to take such a step, and, if so what the best timing might be.

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27. Assuming that a miners' strike starts early in November, a reduction of 5 per cent in demand from the very start of a strike would increase total endurance by roughly 7-8 days. To delay the introduction of such a measure for, say, 10 weeks (ie until after Christmas), when electricity demand would have reached its winter peak, would extent endurance by about 5 days. It could be argued on the one hand that an early introduction of measures along these lines would demonstrate to the miners the Government's resolve to withstand a lengthy strike. On the other hand, such a move could well be interpreted by the miners (and the public) as indicating that their strike was having an early effect; and the public could well tire quickly of even the relatively minor restrictions involved, particularly over Christmas. Moreover, to delay the introduction of these measures by even as much as 10 weeks reduces total endurance by only a few days. The best approach therefore seems to be to wait for a period.

CONCLUSIONS

28. Ministers are invited:-

- (i) to note the likely stock levels described in paragraphs 2-6 and the steps that might be taken to attempt to replenish stocks of ancillary materials;
- (ii) to note that, although the Police can be expected to seek to clear a way through power station pickets, it is difficult at this stage to reach any firm judgement as to how far access to the power stations is likely to be maintained;
- (iii) to consider what advice, if any, to offer the Electricity Boards about seeking legal redress and the timing of doing so;
- (iv) to note that a decision about the use of Servicemen does not arise at this stage, but that the option might need to be considered;
- (v) to endorse the CEGB's proposed operational strategy as described in paragraph 23; and to note the likely costs involved;

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(vi) to agree that early measures should not be taken to restrict electricity demand.

Cabinet Office

22 October 1982

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ANNEX

Average Endurance Level
of coal-using establishments
at end-June 1982

Food Manufacturing and Processing	10 weeks	Unlikely to be a shortage of foodstuffs as a result of a miners' strike.
Non Ferrous Metals	11.6 weeks	
Foundries	4 weeks (end July)	Plus 5 weeks at stockholders.
Motor Vehicles	7.4 weeks //	Longbridge 3 weeks but increasing. Dagenham 20-40 days.
Cement etc	6.8 weeks	Believed now to be 8 weeks
Paper and Board	4.7 weeks	Endurance of coal-using paper mills ($\frac{1}{4}$ of the industry) varies from nil to one month.
Total Manufacturing (including the above, but excluding Iron and Steel)	6.6 weeks	
Iron and Steel	at least 8 weeks (September) <u>at each works</u>	4 of the 5 major works can be supplied by sea (but in 2 cases with a train journey as well). British Steel Corporation's orders are low. <u>An average of 3 months stock of steel held by consumers and stockholders.</u>

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