

Prime Minister

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MR SCHOLAR

cc Mr Mount

Agree, subject to colleagues,

to the recommendations in para 17
of the note attached to Mr Gregson'sPOWER STATION ENDURANCE

minute (at flag A)?

I am sure that the recommendations in the latest report of MISC 57, sent to you under cover of Peter Gregson's note today, are right. But there is one particular judgement in the report itself upon which much depends.

MLS 3/12

That is the question of the likelihood of a national strike in the new year over pit closures (paragraph 9). There were some differences of view about this within MISC 57, the Department of Energy being inclined to see a slightly greater risk than the Department of Employment. My own view is that a national strike is very unlikely over pit closures, unless the NCB play their hand much worse than they have so far.

Nonetheless some risk remains, more than justifying the Group's recommendation to rebuild coal stocks at the maximum feasible rate early in the new year. And we must always bear the sensitivity of the pit closures issue in mind when addressing other issues arising in the coal industry.

3 December 1982