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MR MOUNT

cc Mr Scholar ✓

MISC 57

MISC 57 continues its work on long-term endurance in the event of a miners' strike. In the light of our discussion with John Guinness, and for the convenience of Nick Owen when he arrives, it may be helpful if I set out what seem to me the main current issues:

- (i) The endurance target. Ivor Manley still believes (pace John Guinness) that both the threat and the endurance of a miners' strike over over pay exceeds that of a miners' strike over closures, because he does not believe that solidarity among the regions would ever be great enough to lead to a long strike over closures. That may of course simply reflect the fact that he has more modest assumptions than we about the likely extent of closures. In either case, he believes that six months endurance would be plenty to enable us to win a strike. Douglas Smith will not commit himself beyond saying that these days long strikes are not unknown, and that we would have to be prepared for at least three months. Here as always in MISC 57 our task is to remind the Group that what we are really in is the business of deterrence, and that the miners must believe in our ability to endure for longer than them, because the limiting factor of our actual endurance in practice cannot precisely be foreseen. My own view, as you know, is that the Government's nerve as we approached exhaustion of coal stocks would be a critical factor;
- (ii) Coal stocks. There is nothing new or particularly difficult here. The Group is working on increasing power station coal stocks in Great Britain to the maximum through acquisition of land adjacent to power stations, which might give an Autumn peak stock of up to 38 mt;



(iii) Dual firing. The Prime Minister is very keen on this. But it is very expensive to convert from coal burning to dual firing; and of course very expensive to run on oil as well. And we might need to find ways of laying pipelines for oil access. But the Group is taking this seriously because (a) the benefits are large: the extra endurance would probably take us through the Summer, in the case of a strike beginning in the Autumn, and (b) although it would cost some £1,000 million to convert the twelve largest power stations, the new Nigel Wicks philosophy enables that figure to be offset by the savings achieved through an enhanced rate of pit closures;

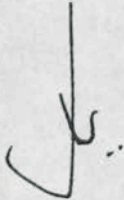
(iv) Long-term changes to the generating system. As Dungeness B comes up to full capacity later this year, and with Heysham and Torness coming on stream later in the 1980s, the preponderance of coal and generated electricity will fall. The construction of the cross-channel link, theoretically by the mid-1980s, will also help. The Group will endeavour to quantify these factors;

(v) Ancillary materials. The CEGB have now given a written assurance that their ancillary stocks, combined with their covert plans for replenishment, will stretch to 26 weeks' endurance. The Group will be checking that their plans are reasonable, but it has always seemed to me likely, given that replenishment would only be needed once or twice for each power station during the period, that there would be ways of getting the necessary materials in;

(vi) Carbon dioxide for nuclear power stations. This is a new feature on the MISC 57 agenda. Nuclear power stations need large quantities of carbon dioxide for cooling, and hitherto we have not assumed that the supplies would be interrupted in the event of a miners' strike. But, given the NUM's opposition to nuclear generated electricity, and in the circumstances of a very long strike, we may need to have plans to cope with that. It would cost only about £40 million to provide the necessary storage facilities, but we would have to find a way of doing it without drawing attention to the weakness;



(vii) Industrial coal stocks. Finally, the Group will be doing some work on the implications of the much shorter endurance of industrial coal stocks - in general about 10 weeks, with the capacity for perhaps another week or two if the necessary measures are taken. We shall be asking two questions: whether it matters, and whether substitute fuels can be found. A preliminary examination indicates that the big consumers, who could not easily substitute their fuel supplies, could be closed down for an extensive period without much permanent damage to the economy, but there would no doubt be awkward and smaller industries where we may need to take special measures.



22 February 1983