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Nat Ind. Coal Plc

File



Transport 289

cc: Mr. Hoskyns
cc: Amr

SUBJECT

10 DOWNING STREET

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From the Private Secretary

21 August 1981

amaster
+ Nat Ind, Coal
PE4

Dear Julian

THE IMPLICATION OF A RAIL STRIKE FOR POWER STATION COAL STOCKS

I wrote to Anthony Mayer yesterday following the Prime Minister's meeting about the threatened rail strike, to record the conclusions reached which related directly to that dispute. But a number of other points were made relating to the impact of a rail strike on power station coal stocks and to the work on increasing power station coal stocks which is currently in hand in a wider context, which I am recording separately because of the sensitivity of the issues involved.

It was agreed that as a contingency measure whatever steps might be necessary should be taken immediately to put the Electricity Boards in a position to burn the maximum possible extra oil in the power stations from the start of a rail strike, should the present negotiations fail to lead to a settlement, so that power stations coal stocks could be made to last for as long as possible. The Minister of State for Energy said that doing so would add a further 2 weeks to the 7-8 weeks endurance already offered by power station coal stocks, at a cost of about £200 million. It was agreed that the Electricity Boards should be authorised to make the necessary oil purchases, but that every effort should be made to avoid these measures becoming generally known.

The Prime Minister expressed herself dissatisfied with the progress made so far on increasing power station coal stocks. She pointed out that in 1978 power station coal stocks were significantly higher than at present and that this had been achieved without trouble from the trade unions, which was given as the main reason for not pressing on harder now with increasing stocks. In her view the aim should be to increase power station coal stocks as quickly as possible at least to their 1978 level. I know that work on increasing power station coal stocks this year and next is already in hand in MISC 57. Officials will therefore wish to take the Prime Minister's comments into account. In the light of her comment I think the Prime Minister would welcome a full progress report in due course from MISC 57. The point was also made that in the event of a rail strike every

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see Nat Ind
Coal PE4

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possible source of energy supply should be fully utilised, including the maximum possible use of nuclear power stations, the use of gas in the power stations as a means of conserving coal stocks, the increased use of coastal power stations for which coal supplies might be more assured and increased transport of coal by road.

Finally, the question was raised whether the threatened rail strike might afford a good opportunity for discussions with the Railways Board about the training of servicemen to drive coal trains from the mines to the power stations, but it was generally agreed that this should not be pursued at the present time.

I am sending copies of this letter only to John Wiggins (HM Treasury), Anthony Mayer (Department of Transport), Godfrey Robson (Scottish Office) and David Wright (Cabinet Office). I should be grateful if you, and they, would arrange for it to be circulated on a strictly "need to know" basis.

Yours ever

Mike Pattison

Julian West, Esq.,
Department of Energy.

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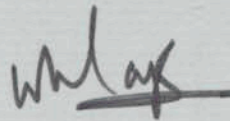
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R PATTISON
c Mr Cloke

RAIL STRIKE

I attach a draft letter for you to send to the Department of Energy recording the points made at the Prime Minister's Meeting this morning relating to power station coal stocks etc. As you know, this is a sensitive issue, and I have therefore suggested that you should copy the letter not to the offices of the Ministers who were present this morning, not all of whom have been involved in this work in the past, but to those Ministers who have been directly concerned and who need to have a record of this part of the discussion.

2. I have also included the suggestion that MISC 57 might produce a progress report in due course on steps to maximise power station coal stocks next year. The Prime Minister is clearly dissatisfied with the progress being made and I am sure that she would therefore find it helpful to have a further report at an appropriate moment from MISC 57, rather than merely relying on the Department of Energy.



WILLIAM MOYES

20 August 1981

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DRAFT LETTER FOR MR PATTISON TO SEND TO
JULIAN WEST, DEPARTMENT OF ENERGY

THE IMPLICATION OF A RAIL STRIKE FOR POWER STATION COAL STOCKS

1. I wrote to Anthony Mayer yesterday following the Prime Minister's meeting about the threatened rail strike, to record the conclusions reached which related directly to that dispute. But a number of other points were made relating to the impact of a rail strike on power station coal stocks and to the work on increasing power station coal stocks ^{which is} currently in hand in a wider context, which I am recording separately ^{because} of the sensitivity of the issues involved.
2. It was agreed that as a contingency measure whatever steps might be necessary should be taken immediately to put the Electricity Boards in a position to burn the maximum possible extra oil in the power stations from the start of a rail strike, should the present negotiations fail to lead to a settlement, so that power stations coal stocks could be made to last for as long as possible. The Minister of State for Energy said that doing so would add a further 2 weeks to the 7-8 weeks endurance already offered by power station coal stocks, at a cost of about £200 million. It was agreed that the Electricity Boards should

be authorised to make the necessary oil purchases, but that every effort should be made to avoid these measures becoming generally known.

2. The Prime Minister expressed herself dissatisfied with the progress made so far on increasing power station coal stocks. She pointed out that in 1978 power station coal stocks were significantly higher than at present and that this had been achieved without trouble from the trade unions, which was given as the main reason for not pressing on harder now with increasing stocks. In her view the aim should be to increase power station coal stocks as quickly as possible at least to their 1978 level. I know that work on increasing power station coal stocks this year and next is already in hand in MISC57. Officials will therefore wish to take the Prime Minister's comments into account. In the light of her comment I think the Prime Minister would welcome a full progress report in due course from MISC57. The point was also made that in the event of a rail strike every possible source of energy supply should be fully utilised, including the maximum possible use of nuclear power stations, the use of gas in the power stations as a means of conserving coal stocks, the increased use of coastal power stations for which coal supplies might be more assured and increased transport of coal by road.

3. Finally, the question was raised whether the threatened rail strike might afford a good opportunity for discussions with the Railways Board about the training of servicemen to drive coal trains from the mines to the power stations, but it was generally agreed that this should not be pursued at the present time.

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