



(2)

Prime Minister

SECRET AND PERSONAL

P.0771

MR SCHOLAR

WZ

To note (relevant to next Thursday's meeting on railways).

MCS 11/6

The Implications of a Rail Strike for Power Station Coal Stocks in the Autumn

At the Prime Minister's meeting on 16 May the Official Group on Coal (MISC 57) was instructed to consider whether it was possible to define more precisely than had so far been the case the point at which a rail strike might need to be brought to a close if power station coal stocks in England and Wales are to be rebuilt by 1 November to the target level of 24 million tonnes.

... 2. MISC 57's report on this is attached. Briefly, its main conclusion is that an all-out rail strike starting on 5 July would need to be brought to a conclusion by about the end of August if, as seems likely, the miners are prepared to offer only limited cooperation in the continued movement of coal. With full cooperation from the miners it might be possible for a rail strike to continue until about the end of September; no cooperation from the miners would point to bringing the rail strike to a conclusion by about the middle of August.

3. The analysis was prepared before it became clear that an all-out rail strike was in fact likely to start a week earlier, on 28 June. The conclusions would not be significantly different if that date had been chosen.

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

PLG

P L GREGSON

11 June 1982



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THE IMPLICATIONS OF A RAIL STRIKE FOR POWER STATION  
COAL STOCKS IN THE AUTUMN

Note by the Official Group on Coal (MISC 57)

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INTRODUCTION

1. This report follows the Prime Minister's meeting on 26 May on the railways, when MISC 57 was instructed to consider whether it was possible to define more precisely than hitherto the point at which a rail strike might need to be brought to a close if power station coal stocks were to be rebuilt by 1 November.

Assumptions

2. The level of power station coal stocks next autumn following industrial action on the railways this summer will be critically dependent on the length of the rail strike and on the extent to which the miners are prepared to co-operate in the delivery of coal by other means during a rail strike.

3. We have assumed for the purpose of this analysis that a rail strike would start on 5 July, would be an immediate all-out stoppage and would last for not less than 8 weeks.

4. As regards the possible attitude of the miners we have considered the following three possibilities:-

- i. full co-operation from the National Union of Mineworkers (NUM) in increased deliveries of coal by road and in the continuation of deliveries by conveyor, inland waterway and coaster;
- ii. limited co-operation ie. deliveries by road etc being allowed to continue at their normal levels, but not to increase. This seems the most likely scenario; and

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iii. no co-operation ie. no movement of coal by road, conveyor or water-borne transport. Our previous reports, during the rail strikes earlier this year, ruled out this possibility. But with their own pay negotiations only a few months away the miners may be less prepared than in the spring to help keep power station coal stocks high. Thus, the complete withdrawal of NUM co-operation cannot now be ruled out.

5. Finally, we have assumed that power station oilburn and the transfer of electricity from Scotland would be maximised immediately a rail strike began and would continue at that maximum level until 1 November. In the event of no co-operation from the miners it may not be possible for maximum power to be transferred from Scotland or for the transfer to be maintained continuously; but this would have only a small effect on the figures quoted below.

Analysis

6. The likely level of power station coal stocks in England and Wales by 1 November on the basis of the above assumptions is as follows:-

	full NUM co-operation	limited co-operation	no co-operation
Duration of rail strike from 5 July			
- 6 weeks			24 mt
- 8 weeks	24 mt	24 mt	22½mt
- 10 weeks	24 mt	22 mt	20 mt
- 12 weeks	23-24 mt	20 mt	17 mt
- 14 weeks	21½ mt		

With maximum oilburn etc 24 million tonnes represents about ~~25~~<sup>20</sup> weeks endurance; every 1 million tonnes less than this reduces endurance by about 1-1½ weeks.

7. Thus, if the target level of power station coal stocks is to be achieved by 1 November a rail strike starting on 5 July would need to be brought to a conclusion within the following timescales:-



full co-operation	end-September
limited co-operation	end-August
no co-operation	late-August

8. We have also considered how the above analysis would change if a rail strike were to begin much later than currently expected eg. on 9 August. By then power station coal stocks would be at their maximum level of 24 million tonnes. The following seem to be the timescales within which a rail strike would have to be brought to a close if stocks were to be rebuilt to this level (or very close to it) by 1 November:-

full co-operation	mid-October
limited co-operation	early-October
no co-operation	mid-September

9. Finally, we have considered how far endurance of a rail strike could be extended by maximising power station oilburn in advance of a rail strike. The effect of maximum oilburn is to increase power station coal stocks by 0.5 million tonnes per week. Thus maximum oilburn during the last two weeks in June would mean that a rail strike <sup>from 5 July</sup> could be allowed to continue until the end of August with no co-operation from the NUM or until mid-September in a situation of limited co-operation, and power station coal stocks still be built up to 24 million tonnes by 1 November.

#### Costs

10. The net weekly cost of maximum power station oilburn is £30 million. Depending on the starting date of the rail strike and on the extent of co-operation from the miners, maximum power station oilburn might be necessary for between 12 and 17 weeks. Thus the total cost might be in the range £350 million to £500 million.

Cabinet Office  
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