

Brian Palmer

SECRET

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DUS/4/0257

Secretary of State

- Copy to: Mr Concannon
- Lord Melchett
- Mr Dunn
- Mr Carter
- PUS
- GOC
- Chief Constable
- Mr Kidd
- Mr Janes (Mufax)
- Mr Cradock
- Mr Bourn (Mufax)
- Mr Ford
- Mr Stephens
- Mr Gilliland
- Mr Neilson
- Mr Jamieson
- Mr Buxton
- Mr Palmer ✓
- Mr McEwen

FUEL OIL AND PETROL DISTRIBUTION

1. The attached appreciation of the present attitude of the oil industry and details of contingency plans for Army assistance has been prepared in consultation with the Department of Commerce and the Commander MACM. A senior representative of the industry has been closely involved.
2. It will be seen that the Refinery and Terminals which it is proposed should be taken over, contain significant stocks of stored oil products adequate for at least 100 days consumption for essential users. It will also be seen that the attitude of employees in

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the industry favours continued working, although the tanker drivers may be subject to intimidation which would deplete their numbers. The management in particular has been most co-operative and there is every prospect that an Army takeover would enjoy their co-operation in at least its early stages. The attitude of technical grades and skilled labour is less certain but they, and indeed the management, are not essential to the continued running of the distribution system.

3. Beyond the Refinery and storage points there are 21 chosen petrol filling stations which would be supplied by the Army which would provide supplies for essential users. Petrol coupons for such users are already held by responsible Government Departments. Users not already on the lists will be able to apply for coupons at some 20 licensing centres which will be set up at convenient points - probably Government offices - and staffed by Civil Servants deployed from other work.

4. So far as timescale is concerned, it will be seen that, ideally, a decision would need to be taken by 2300 for the Army to set its operation in motion on the next day. There would then be a period of about 48 hours before deliveries could be made to essential users. As this is likely to be the first area where MACM support is needed, time will have to be allowed for the signature of the proclamation of a State of

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Emergency and the accompanying regulations, and also of a Defence Council Order in the Ministry of Defence.

5. An important consideration in relation to timing is our willingness to permit the commercial system to continue to operate until essential users are in danger of losing supplies. Given the lack of any assurance about Government control over distribution, this could mean that fuel could continue to be supplied to outlets controlled by the strikers. This might mean that a decision to intervene with MACM troops would have to be taken well before such commercial distribution failed to provide sufficient fuel for essential customers.

6. Some concern has been expressed about the present lack of planned provision for protection of the proposed licensing centres. If these were not able to operate, key private sector users would not get petrol coupons and there would be considerable public discontent.

7. The Secretary of State is invited:-

a. to note the report on stocks and contingency plans for oil and petrol distribution to essential users; and

b. to endorse the view that MACM troops should not be used while employees are working

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Secretary of State

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normally but that the timing of inter-  
vention would depend not only on assured  
availability for essential users but also  
on the extent to which the allocation of  
restricted fuel supplies was likely to be  
determined by the strikers.

Mr Bourn (Murex)  
Mr Ford  
Mr Stephens  
Mr Gilliland  
Mr Neilson  
Mr Jamieson  
Mr Baylon  
Mr Palmer  
Mr McKean

2 May 1977

A A PRITCHARD

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