

Top Copy: Energy, May 1979, Power Plant Manufacturing Ind.

NOTE OF A MEETING WITH SIR JOHN KING (BABCOCK & WILCOX) AT 1630
AT 10 DOWNING STREET ON 13 AUGUST 1979

Present:

Prime Minister
Sir John King
Mr. David Wolfson
Nr. Nick Sanders

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Sir John King said that a Government initiative was needed to reorganise the nuclear and steam-generating industries. There were a number of plans which had been proposed. In his view, the need was for a strong industry which could compete with Westinghouse or Kraft Werk Union. Unless there was a reorganisation of the steam-generating industry, it would go to waste. Clark Chapman and Babcock and Wilcox were at present competing for scraps of business. They needed a firm home base founded on a regular ordering programme from the CEGB.

He said that Babcock & Wilcox were one of the largest employers on the Clyde. They had received an order for the Peterhead power station in 1972 and another for Drax in 1979. They wanted to modernise their factories and invest in new plant and equipment. To do so, they needed a sound Government programme for the home market.

Babcock were hoping to get a further order from Hong Kong for the Castle Peak power station. But apart from Drax, they had no other major orders in prospect.

The Prime Minister asked about the Harrisburg accident. Sir John King said that the American firm of Babcock and Wilcox was wholly separate from the British firm. He understood, however, that the Harrisburg enquiry would show that the plant had withstood the most ghastly mismanagement. Everything would have been fine if the plant operators had done nothing, but they had panicked.

The Prime Minister asked about the prospects for PWRs. Sir John King said that if a PWR was ordered then the reactor and

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the steam-generating equipment would have to be imported. The same would be true if a second PWR was ordered.

In answer to a question about the breeder reactor, Sir John King said that Dounreay was a first class operation, but they should be pushed. The 1990s were almost here in ordering terms.

He said that the NNC and NPC were a design and contract manufacturing organisation with no real centre. They seemed to him to be a very temporary arrangement. The whole of the manufacturing industry needed to be brought together into one unit.

Finally, Sir John said that the nuclear industry needed a voice speaking for it and a much more vigorous education programme than anything which had been attempted so far. The public were afraid of the unknown and did not understand what nuclear power was all about. The dangers of fossil fuels were very great.

The Prime Minister said that she thought there was more work to be done in research on accelerating the disintegration of actinides. So far as publicity was concerned, Walter Marshall had done a lot of good work already and so had John Hill.

The Prime Minister thanked Sir John for giving her his views and undertook to speak to Mr. Howell about them.

MJS

13 August 1979

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File RB

10 DOWNING STREET

From the Private Secretary

14 August 1979

SIR JOHN KING: MEETING WITH THE PRIME MINISTER

When Sir John King met the Prime Minister yesterday, he told her of his views on the future of the steam generating industry and the nuclear industry more generally. He urged the case for a regular ordering programme from the CEGB sufficiently large to ensure the survival of these industries. He said that there was a real risk that without a re-organisation of the steam generating industry and a proper programme of orders, the industry might go to waste.

He also said that in his view the nuclear industry needed a much more vigorous education programme than anything which had been attempted so far. The public were afraid of the unknown and needed a better understanding of what nuclear power was all about.

The Prime Minister undertook to pass his views on to your Secretary of State.

I am copying this letter to Martin Vile (Cabinet Office).

N. H. SANDERS

KRB

W. J. Burroughs, Esq.,
Department of Energy.