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VSECRET

PRIME MINISTER

HUNTERSTON

THE NDLB TODAY DEFERRED A DECISION. DEPT OF EMPLOYMENT OFFICIALS ARE PRESSING THEM TO CONVENE A FURTHER MTG THIS WEEK BUT THERE ARE DANGERS IN PRESSING TOO HARD AND THE MTG MAY NOT TAKE PLACE UNTIL EARLY NEXT WEEK.

BSC ARE FRUSTRATED. THEY SAY THAT THEY WILL NEED TO START REDUCING THE OUTPUT OF THE RAVENSCRAIG COKE OVENS ON SAT IF NO COAL HAS BEEN DELIVERED BY THEN. THIS WOULD MEAN LESS PRODUCTION, A SMALL RISK OF DAMAGE TO THE OVENS, BUT NO IMMEDIATE LAYOFFS.

MR TEBBIT IS CONSULTING LORD WHITELOW AND MR KING TONIGHT. HE IS INCLINED TO RECOMMEND TO BSC THAT THEY SHOULD REDUCE COKE OUTPUT IF NECESSARY, RATHER THAN START TO UNLOAD, WHILE THE NDLB PROCEDURES ARE STILL RUNNING. IF THE NDLB DECIDE AGAINST BSC, HE WOULD RECOMMEND THEM TO UNLOAD THE SHIP, AND IF NECESSARY APPLY FOR AN INJUNCTION TO ENSURE THAT THE COAL GETS THROUGH.

IF COKE OUTPUT IS REDUCED THIS WEEKEND, THE FACT IS BOUND TO BE KNOWN PUBLICLY. BUT THERE COULD BE SOME VALUE IN DEMONSTRATING HOW CRITICAL IS THE PLANT'S SUPPLY POSITION.

DB 15.8.80