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Secretary of State for Trade and Industry

17 August 1984

David Barclay Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear David,

MINERS' STRIKE: COAL FOR RAVENSCRAIG

This letter is to bring you up to date and to set the scene for decisions next week.

2 As you and others know, yesterday (Thursday) the tugmen and dockers at Hunterston asked to see the state of coal stocks at Ravenscraig and, in the light of what they found, voted to lift their blacking of the "Ostia" and to help unload it. Late this morning, however, they reversed their decision after intervention by the TGWU regional docks secretary, Mr Gilligan.

3 The NDLB procedures which began earlier this week now therefore need to be completed urgently. On Wednesday, the Finance and General Purposes Committee of the NDLB considered an application, jointly by BSC and the Clyde Port Authority, for a ruling on whether the Dock Labour Scheme (DLS) would be breached if the "Ostia" were berthed and unloaded without the use of tugmen and dockers. The issue turns on the fact that the ship can not only manage to dock without tugs if it has to, but can also be substantially unloaded by BSC crane-drivers (who are ISTC members and who normally undertake this work under a local agreement) without the use of dockers to clear the remnants of the cargo. In the event, the Committee concluded by calling for further information, including a legal opinion, and referred the issues for decision at an early meeting of the full NDLB.

4 That meeting is now arranged for 11.00am on Monday. Its duration is unpredictable. Meantime, BSC are this afternoon issuing a press statement in which they explain why they believe that the "Ostia" can be unloaded without registered dockworkers and without breaching the DLS and why the coal is so urgently needed at Ravenscraig.

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5 The urgency is in no doubt. BSC have coal stocks at the plant but cannot continue using them for coke-making without adding the particular blend aboard the "Ostia". Following my Secretary of State's message to the BSC on Wednesday - that the ship should not be brought in while the NDLB procedures continue - the Corporation have today started to run down coke-making at Ravenscraig. If no coal arrives, this means that by about Tuesday 28/Wednesday 29 August output from the coke ovens and blast-furnaces will have ceased and they will have been banked up to prevent damage. Soon after, the works as a whole will be brought to a halt. To avert this, the "Ostia" must be ordered in by no later than Thursday 23/Friday 24 August. But even this gives no margin at all for logistical hitches, in particular any break in the weather which could prevent docking without tugs. So the earlier the decision can be made, the less will be the risk to Ravenscraig's continued operation.

6 The issues that Ministers may have to consider, and whether a MISC meeting in fact proves necessary, will depend on what happens at the NDLB:

(a) If the NDLB rules in BSC's favour, the Corporation would be looking for quick approval to bring in the boat. In those circumstances, and since the Hunterston dockers' willingness to work is likely to emerge publicly before the NDLB meeting, we would expect that this could be agreed without the need for a MISC 101 meeting.

(b) If the NDLB for some reason defers a decision beyond Monday, the issue would be whether the boat could be brought in before the procedures are exhausted.

(c) If the NDLB is hung, or worse, rules against BSC, the Corporation realise that the position would be very difficult. Ideally, they would want to berth and unload the boat regardless. And they have also been considering an injunction against the TGWU to bring the blacking to an end. (As a contingency measure, they are finalising the precise purpose and scope of any such injunction over this weekend.) They would need to complete their assessment of the position quickly and refer it to Ministers for decision.

7 A MISC 101 meeting to allow consideration of the situation following the NDLB meeting has been provisionally arranged for 2.00pm on Tuesday (21 August), with a preparatory official meeting at 4.00pm the previous day. Meantime, there needs to be an agreed line on what, if anything, Ministers should say about the issues over the weekend.

8 As regards the abortive decision by the Hunterston dockers to co-operate, we judge that it would be counter-productive for Ministers either to reveal it themselves or to play on it if it

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emerges publicly. To do so would risk hardening attitudes among TGWU members at Hunterston and prevent any rekindling of the spark of realism which briefly emerged.

9 As regards the future of Ravenscraig, there is a more difficult tightrope to walk than was reflected in John Neilson's letter to you of 16 August. If Ministers hint that closure of Ravenscraig because of the coal blockade might be permanent, they risk alienating the steelmen and driving them back into the Triple Alliance and the defence of jobs against alleged Government attack. In any case, such a veiled threat would be at odds with the fact that both BSC and the Government would strive to the maximum to secure alternative fuel supplies and so make any closure as brief as possible. If, on the other hand, Ministers suggest that Ravenscraig will be safe provided coal gets through, that could be quoted back as a guarantee of the plant's future in the face of any later attempt by BSC or the Government to reassess the unresolved question of the Corporation's surplus capacity. The message, if any, should therefore be that all BSC's plants face a struggle for survival, despite recent improvements in efficiency, and that the prospects for Ravenscraig cannot be improved if unions outside the industry succeed in shutting it down temporarily. Even a brief closure would be damaging, but the longer it went on, the greater would be the danger that BSC would lose markets and hence Ravenscraig's future would be jeopardised.

10 I am sending copies of this letter to the Private Secretaries of other Ministers on MISC 101, and to Richard Hatfield in Sir Robert Armstrong's office.

Yours ever,

RUTH THOMPSON
Private Secretary

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