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Prime Minister

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Ms 23/2

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1

23rd February 1983

UKAEA INDUSTRIALS' PAY: 1982/83

The United Kingdom Atomic Energy Authority have just confirmed that their industrial workers have now formally accepted the 4.7% offer on average earnings put to them on 3 February. The settlement is for a full 12 month period. The offer was balloted over the past fortnight, and although the overall result was for acceptance, I understand that it was quite finely balanced.

I hope you will be as satisfied as I am with the outcome. I think it reflects favourably on both the industry's management and work force. I detect a sense of realism in their approach to this year's pay negotiations. The AEA Industrials, numbering some 4,600, may be small in comparison with other public sector groups but the result is significant nonetheless. I would hope that some publicity could be given to this achievement as an encouragement to other industries with pay settlements in the pipeline.

I am sending copies of this letter to the Prime Minister, other members of E Committee, George Younger, Sir Robert Armstrong and John Sparrow.

NIGEL LAWSON