

Prime Minister

NUCLEAR POWER

Following our meeting yesterday I saw Walter Marshall this afternoon. I explained to him the position we have reached on nuclear power and the recommendations which are being put to Cabinet tomorrow.

Naturally he was highly upset to learn about this, although it could not have been a total surprise to him.

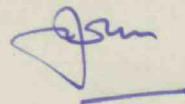
As agreed last evening I told Walter that, if you had been in London, you would have wanted to see him before the statement tomorrow was made. In the circumstances, you would still wish to see him soon.

Walter said that he would be prepared to resign quietly once a package of financial compensation satisfactory to him had been agreed. He would however be obliged to make a public statement in due course to the effect that the Government's decisions on the structure of the electricity industry had made it impossible to privatise the nuclear stations.

We agreed that I should explain during my statement that Walter was considering his position in the light of the Government's decisions. I shall clear the wording with him, and include in my supplementaries an appreciation of his exceptional service to the electricity supply industry.

I shall consult you and the Chancellor as soon as possible about the new chairman of National Power and about the level of compensation to be paid to Walter.

I am copying this minute to Sir Robin Butler.



Secretary of State for Energy

8 November 1989