

PRIME MINISTERELECTRICITY SUPPLY INDUSTRY PAY

Mr. Walker is coming to talk to you, at your request, about pay negotiations in the electricity supply industry. A letter from him about this is below, though since this was written he has had a talk with the Chairman of the Electricity Council.

There is little doubt but that Mr. Walker is as concerned as you are to avoid industrial action in this area. But you will want to assure yourself that he and others are not resting too much on the good record of the employers on pay negotiations: the clock is now ticking towards a start of industrial action on 25 May.

You could also ask Mr. Walker about the position on the negotiations between the NCB and the CEGB about coal burn and coal prices. The newspapers today have reported that Mr. Walker is considering proposals which would allow a reduction in electricity prices of up to three per cent.

Mr. Walker has not yet reported back to colleagues about this.

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David Norgrove

12 May 1986