

Prime Minister

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PRIME MINISTER

cc Mr Ingham  
Mr Mount

MR KING'S STATEMENT ON THE WATER STRIKE

Mr King was received by a much quieter House than on Tuesday. As agreed at your meeting this morning, he stressed two points: that the employers were ready to enter immediate negotiations about productivity, under the terms recommended by the mediator in paragraph 8; and that the unions should now decide whether to negotiate as a matter of urgency on that issue, or to honour the ACAS agreement and go to arbitration.

Mr Kaufman said that he welcomed this "new emphasis" by the employers and by Mr King on paragraph 8, which the Opposition had always regarded as the key. He and Mr Howell had kept in close touch with the unions, and he was now able to say that if the further £5-10 a week mentioned by Len Hill in his interview with Robin Day at lunchtime were offered to the unions, the unions were ready to negotiate immediately. (He did not make it clear whether the £5-10 would have to be unconditional.)

Mr King stressed in reply that there was nothing new in this offer. His previous statement had said exactly the same as he had said this afternoon (that is true, except that his statement on Tuesday did not specifically mention paragraph 8). He had heard the interview with Len Hill, and he recalled that Hill had been asked to give some idea of what might be the outcome of the productivity negotiations; Hill had indicated that significant increases in earnings would be available if the unions delivered increased productivity. But the unions would have to accept the mediator's report, and should resume work immediately.

The Speaker allowed only four further questions, which enabled Mr King to remind the House that strikers' lost earnings would be "substantial", and that they had already had a 54% increase in pay since 1979.

It is not yet clear whether Mr Kaufman was reflecting a new willingness on the part of the unions to enter discussions, or merely acquiescing in their tactics of getting the offer increased before productivity discussions begin. I spoke afterwards to Peter Harrop (the Second Permanent Secretary who attends your morning meetings), and his view is that this is a sign that the talks will begin again; but that there is no knowing whether they will be fruitful.

J.

3 February 1983



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My ref:

Your ref:

3 February 1983

*Dear Michael*

WATER INDUSTRY PAY DISPUTE - STATEMENT TO THE HOUSE OF COMMONS  
3 FEBRUARY 1983

/ I attach a copy of the statement my Secretary of State proposes to make to the House this afternoon. It is, of course, still subject to minor drafting changes.

I am copying this to the Private Secretaries to the Home Secretary, the Chancellor of the Exchequer, the Leader of the House of Commons, the Paymaster General, the Secretaries of state for Employment, Scotland, Wales and to the Chief Press Secretary at No 10.

*for em*  
*DAE*

D A EDMONDS  
Private Secretary

WATER INDUSTRY PAY DISPUTE - STATEMENT TO HOUSE OF COMMONS - 1.2.83

With permission, Mr Speaker, I would like to make a further statement to the House about the water industry dispute.

Since my statement on Tuesday there has been a further increase in the number of people advised to boil water as a precaution.

This is now 6½ million people.

Approximately 23,000 properties are now without any water supply but arrangements <sup>have or</sup> are being made for alternative supplies.

There has been some further reconnection of properties to the main supply.

The quality of effluent from more sewage treatment works has deteriorated but there has been no serious effect on rivers and no significant pollution incidents have been reported.

In my previous statement on Tuesday I informed the House that there were further discussions <sup>between</sup> ACAS and <sup>the</sup> employers and <sup>that</sup> ACAS were to see the Unions in the evening.

Following these talks the employers confirmed that they were ready and willing to have immediate negotiations about higher earnings in relation to improved productivity under the terms recommended by the mediator in paragraph 8 of his Report.

I understand the Unions have not <sup>yet</sup> responded to this proposal and that industrial action therefore is continuing.

I have to say to the House that I believe there is no longer any justification for the continuation of this industrial action which is causing such inconvenience and distress to those affected by it.

I advised the House on Tuesday that there are 2 options available to the Unions to end this dispute.

They can either accept the offer of employers to negotiate as a matter of urgency on the issue of higher earnings for productivity as recommended by the mediator.

If they are unable to accept this the agreements that have been reached <sup>through ACAS</sup> / in advance of the negotiations by ACAS must be honoured and the terms of the national agreement requiring arbitration should be followed.

In this way it is possible for the industry to resume its <sup>full</sup> responsibilities and services to the public and for the

water workers themselves no longer <sup>to suffer a serious loss of earnings.</sup>

This must be the sensible course to pursue now and I trust that the Union leaders recognise this and instruct a return to work and an urgent start to the negotiations which have been offered.

US Budget is  
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decline

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