

SECRET

SUBJECT

bc. Mr. Vereker

Local Govt 20

cc Master

6



10 DOWNING STREET

From the Private Secretary

21 February, 1983.

Dear David,

The Prime Minister held a meeting at 1100 this morning to discuss the latest position in the water workers' strike. In addition to your Secretary of State, there were present the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Defence, Employment, Scotland and Wales, the Chief Secretary, Mr. Harrop, Sir Robert Armstrong, and Messrs. Gregson, Goodall and Ingham.

Your Secretary of State said that during the last four days the number of properties without piped water had risen to 84,000 and 7.9 million people were now boiling water as a precaution. These figures did not reveal a substantial number of reconnections that had been made in some areas, but these had been balanced by disconnections in others, many resulting from the cold weather. It was too early to be sure how many craftsmen had now joined the strike. The Committee of Inquiry would be meeting again at 3.30 this afternoon and it was expected that their findings would be given to both employers and unions at about 6.00 pm. It was not clear whether the findings would be publicised then, or held back until the water industry's National Joint Industrial Council had met under the chairmanship of Mr. Lowry to give practical effect to the findings and thus settle the dispute. Neither was it clear whether the union negotiators would find it necessary to consult their members before calling off the strike.

During discussion it was agreed that the likely effects of the Committee of Inquiry's findings, on pay negotiations for manual workers in the gas and electricity supply industries, both of which were due to resume this week, would need to be rapidly assessed by Ministers especially in view of the danger that both gas and electricity unions were likely to seek to re-establish any differentials narrowed by the water manuals' settlement. In the event of the inquiry resulting in a high pay award, the water employers intended to take the line that they would not wish to pass on the cost to their customers and therefore proposed to examine ways of financing the award by further efficiency and economy arrangements within the industry; in practice, likely to mean less overtime and fewer jobs.

SECRET

/ Summing

NR



Summing up the discussion, the Prime Minister said that if the strike was not called off immediately it would be essential to make clear again the futility of manual workers remaining on strike and losing further wages, when they were being consulted on a matter that their leaders had already agreed would settle the dispute. Decisions on other possible items of publicity should await the outcome of the Committee of Inquiry. She would be grateful for clarification of the amount of strike pay deemed to have been paid in assessing social security payments to strikers' families. The Secretary of State for the Environment should keep colleagues informed as events developed. It might be necessary for Ministers to meet later at short notice if matters connected with the gas and electricity manuals' pay negotiations required discussion in the light of developments in the water industry.

I am copying this letter to the Private Secretaries of those Ministers present at the meeting, to John Lyon (Northern Ireland Office), to Richard Hatfield (Cabinet Office), and to Messrs. Harrop, Gregson, Goodall and Ingham, and again ask that it should be given only the minimum necessary circulation.

*Yours sincerely,*

*Michael Scholar*

David Edmonds, Esq.,  
Department of the Environment.

Covering SECRET



GR/  
pl type.

Mr Schwab

I attach a draft Memo of this morning's meeting on the latter strike. As we discussed I have not included any reference to the material dealt with during the earlier part of the meeting!

Fores

21 February 1953



SECRET

DRAFT

The Prime Minister held a meeting at 11.00 am this morning to discuss the latest position in the water workers' strike. In addition to your Secretary of State there were present the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Defence, Employment, Scotland and Wales, the Chief Secretary, Mr Harrop, Sir Robert Armstrong, and Messrs Gregson, Goodall and Ingham.

Your Secretary of State said that during the last four days the number of properties without piped water had risen to 84,000 and 7.9 million people were now boiling water as a precaution. These figures did not reveal a substantial number of reconnections that had been made in some areas but these had been balanced by disconnections in others, many resulting from the cold weather. It was too early to be sure how many craftsmen had now joined the strike. The Committee of Inquiry would be meeting again at 3.30 pm this afternoon and it was expected that their findings would be given to both employers and unions at about 6.00 pm. It was not clear whether the findings would be publicised then, or held back until the water industry's National Joint Industrial Council had met under the chairmanship of Mr Lowry to give practical effect to the findings and thus settle the dispute. Neither was it clear whether the union negotiators would find it necessary to consult their members before calling off the strike.

SECRET



During discussion it was agreed that the likely effects of the Committee of Inquiry's findings, on pay negotiations for manual workers in the gas and electricity supply industries, both of which were due to resume this week, <sup>would</sup> ~~might~~ need to be rapidly assessed by Ministers especially in view of the danger that both gas and electricity unions <sup>were likely to</sup> ~~would~~ seek to re-establish any differentials narrowed by the water man<sup>u</sup>als' settlement. In the event of the inquiry resulting in a high pay award, the water employers intended to take the line that they would not wish to pass on the cost to their customers and therefore proposed to examine ways of financing the award by further efficiency and economy arrangements within the industry, in practice, likely to mean less overtime and fewer jobs.

Summing up the discussion the Prime Minister said that ~~there was no alternative to awaiting the Committee of Inquiry's award and the union reaction.~~ If the strike was not called off immediately it would be essential to <sup>make clear again</sup> ~~emphasise even more clearly~~ the futility of manual workers remaining on strike and losing further wages, when they were being consulted <sup>a matter that</sup> ~~on something~~ their leaders had already agreed would settle the dispute. Decisions on other possibilities <sup>items of</sup> ~~for~~ publicity should await the outcome of the Committee of Inquiry. The Secretary of State for the Environment should keep <sup>colleagues</sup> ~~her~~ informed as events developed. It might be necessary for Ministers to meet <sup>later</sup> ~~tomorrow~~ at short notice if matters connected with the gas and electricity <sup>manuals'</sup> ~~pay~~ negotiations required discussion in the light of developments in the water industry.

I am copying this letter to the private secretaries of those Ministers present at the meeting, to John Lyon (Northern Ireland Office), to Richard Hatfield (Sir Robert Armstrong's Office) and to Messrs Harrop, Gregson, Goodall and Ingham and again ask that it should be given only the minimum necessary circ- **SECRET** - ulation.

*She would be grateful for clarification of the amount of strike pay deemed to have been paid in assessing social security payments to strikers' families. (Action Mr Gregson)*



21 FEB 1983

10 11 12 1  
9 2  
8 3  
7 4  
6 5