

~~Mr Vereker~~

CF

As requested

J. King
1/12

cc Mr. Vereker
Mr. Hoskyns

MR. INGHAM

Water Manuals

Mr. Prior called on the Prime Minister briefly this afternoon to report on the water manuals negotiations. He said that Mr. King had met with the employers and had suggested that they should have a further meeting with the union side before 3 February. Mr. King had suggested that they should improve their offer very slightly - though without specifying a figure. He himself had been in touch privately with one of the employers side and had suggested an 8.5% figure (compared with 7.9% currently on offer); Douglas Smith in his own Department thought that the employers would go to 9%.

Mr. Prior went on to say that it now seemed likely that the employers would meet the union side before 3 February. He thought it would be better to postpone putting out publicity at least until after this further meeting: he implied that such publicity would make the negotiation more, rather than less, difficult for the employers.

The Prime Minister acquiesced.

I am not sending a letter to DOE on this, but I will make sure that they are in line with Mr. Prior on publicity.

L. P. LANKESTER

27 January 1981