Corcal Cat MISS CHRISTOPHERSON CC Mr Scholar Mr Ingham Mr Mount WATER WORKERS' DISPUTE The Cabinet Office have warned me that at the CCU this evening the Home Secretary will emphasise the importance of the best possible presentation of the employers' and the Government's case in the water workers' dispute; and that he will enquire what co-ordination has already taken place and what is planned. In the light of our meeting this morning, and having established that Bernard is pretty well unavailable on Thursday and Friday of this week, I propose to make the following points: (i) As with all industrial disputes, responsibility for presenting the issues in the most advantageous way rests with the lead department, in this case the Department of the Environment; but that the Prime Minister's Press Secretary will as usual accept responsibility for ensuring proper co-ordination among Government departments of what is said; The main factor to be born in mind which is peculiar to this dispute is that the National Water Council cannot be relied upon to run a whelk stall, let alone to organise a major public relations campaign. They did nothing, for instance, during the weeks while the union was consulting its membership; There appear to us to be two distinct phases in the PR campaign. First, and currently, the presentational issues are concerned with negotiations, and our objective is to place maximum pressure on the unions to stand by their agreement to resolve disputes through arbitration. The second phase, which will begin if the ACAS negotiations collapse,

will focus presentational issues on the Government's contingency plans for maintaining essential services. The objective will be less straightforward, since we will want to balance reassuring the community of our ability to maintain basic water services against demonstrating how irresponsible the water workers are being in putting the health of the community at risk.

(iv) The Prime Minister's Press Secretary has necessarily to give priority to the Franks Report; and he will be accompanying the Prime Minister to Yorkshire from Question Time on Thursday until the Weekend. But No 10 continue to accept responsibility for co-ordination, which will be exercised by his Deputy under his general guidance.

(v) A first co-ordinating meeting was held this morning,

(v) A first co-ordinating meeting was held this morning, and addressed the first of the presentational issues identified. If the talks break down, a second meeting will be convened towards the end of this week to co-ordinate the presentation of the contingency plans. A fact sheet on water workers' pay has been made available to interested departments by the Department of the Environment, and the Prime Minister has been briefed for Question Time. It will be for consideration later in the week whether Ministers will wish to make themselves available for Media interviews.

18 January 1983