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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 ^{have or} 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 ^{between} ACAS and ^{the} employers and ^{that} 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 ^{yet} 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 / ^{through ACAS} 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 ^{full} responsibilities and services to the public and for the

water workers themselves no longer ^{to suffer a serious loss of earnings.}

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
planned to
decline

£ 207b this

£ 189b next