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My ref:

Your ref:

8 November 1985

*Jim Myles*

*W 8/11*

AUTUMN STATEMENT: WATER AUTHORITIES

I understand that your autumn statement will be made on 12 November.

Last year our difficulties with the water authorities were compounded because news of the higher charges they would be required to levy leaked some days before your statement and before the chairmen had been forewarned (letters to them were in the post but not received when the news spread).

I would be most grateful if you could avoid any reference to the water authorities in your statement this year and that the line in response to any press enquiries about water charges should be:

"The water authorities EFL for 1986/7 remains unchanged; the Department of the Environment will be discussing the implications for the authorities' 1986/7 budgets with them in the normal way over the next few weeks".

No indication of our attitude to water privatisation should be given at this stage.

I am sure you will understand the vital importance of this if we are to carry forward our policies for the water authorities with the minimum of trouble.

I am copying this letter to the Prime Minister as Chairman of E(A), to Nicholas Edwards, and the Chief Whip.

*Yours faithfully*  
*Kenneth Baker*

KENNETH BAKER

