

*Mr Verola*  
*Am... Local Council*  
MR. LANKESTER

c. Mr. Wolfson  
Mr. Ingham

FIREMEN *mt* *R.*

I had a word with the Paymaster General before the Prime Minister's meeting this morning about the difficulty of getting public sympathy on our side in the firemen's dispute, at a time when Ministers are consciously distancing themselves from the negotiations. Today's leader in The Times is only one of a number of adverse comments in the media recently on the Government's position, and its assertion that the public will judge that the Government have broken an agreement with the firemen is particularly damaging.

The Paymaster General has told me that Lord Thornycroft has reported to him that he too is worried about the Government's image in this respect, and that Sir Gervas Walker has told him that there are particular difficulties for the local authorities in Ministers giving the impression that it does not matter what the local authorities settle for, as long as they stick to the cash limits.

*Attached*  
The Prime Minister may therefore wish to know that the Paymaster General will be putting out a Press Notice this weekend of a speech to his constituency in which he will say that there is no question of the Government having broken an agreement with the firemen; they were not a party to the 1978 agreement which was between local authorities and unions, and that the local authorities were now negotiating with the firemen, albeit under different economic circumstances. The Government's responsibility is to control public expenditure and to reduce the burden of rates and of interest rates, and had therefore provided for a 6% increase in the pay bill in next year's Rate Support Grant. This would not be relaxed, and the local authorities must negotiate with it in mind. They would have to recognise that any settlement going higher than 6% would be bound to be considered as a precedent for other groups, thus making it much harder for the overall pay bill to be contained within 6%.

(\* Chairman of the A.C.C. Council)

/Lord Thornycroft



Lord Thornycroft has undertaken to use his influence to see that this statement is noted in the media, and combined with the news which will break shortly on the Government's decision to call out the Green Goddesses it ought to attract quite a lot of attention.

J.V.

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## NEWS SERVICE

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Extract from a speech by the Rt. Hon Angus Maude, MP (Stratford-upon-Avon), Paymaster General, speaking at a constituency meeting in Warmington, Warwickshire on Saturday, 15th November, 1980.

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Let us be quite clear about the Government's position in relation to the dispute over firemen's pay.

There is no question of the Government having broken an agreement with the firemen. The Government is not a party to the 1978 agreement, which was between the local authority employers and the unions. It is the local authorities, not the Government, which are now negotiating - and in economic circumstances different from those of 1978.

The Government has a responsibility to taxpayers and ratepayers to control public spending and borrowing, in order to get inflation and interest rates down and lighten the burdens on industry.

It has therefore informed local authorities that next year's Rate Support Grant cash limit will provide for total pay increases of six per cent.

This - like other cash limits - will not be relaxed, and local authorities must negotiate with this limit in mind. While in theory they can settle for a higher figure with any particular group, they know quite well that any higher settlement now is bound to be taken as a precedent by other groups - making it more difficult, if not impossible, to keep within the overall limit.

Incidentally the firemen received increases of over 22 per cent two years ago, and of over 20 per cent last year.

ENDS.