

PRIME MINISTER

STATEMENT ON THE WATER WORKERS DISPUTE

Mr. King made a low key statement in which he was at pains to avoid prejudicing the current negotiations. The Speaker limited questions to about 30 minutes. Mr. Kaufman said the situation was grave. The present inconvenience to the public could soon turn into a serious hazard. The strike was solely the result of Mr. King's meddling. In November the employers had intended to offer 6% and had reduced this to 4% following pressure from Mr. King. This was the direct cause of the breakdown in negotiations. The Secretary of State had tried for some months to pressure the industry into a settlement below 5% but now he was saying that such an offer was reasonable; he should not have vetoed the November offer in the first place. Mr. Kaufman sought an assurance that the employers would now be allowed to settle without interference from the Government. The health and well-being of the people were paramount. Mr. King's statement was provocative.

Mr. King said he accepted the gravity of the situation. Events in November had not been as simple as Mr. Kaufman had maintained. The unions claim in September implied a 15% increase in real terms or about 20% allowing for the cost of living, and had included a claim for the long term. The employers had offered 4% or arbitration under their long-standing national agreement. He hoped that the unions would reach agreement this evening under the procedure agreed on Friday. The Friday agreement had been signed by both parties and witnessed by the Chairman of ACAS. The recommendations of the mediator for an increase of 7.3% over 16 months plus another 0.5% from an increase in the 5-year service supplement were not unreasonable in the circumstances.

In questions, Mrs. Shirley Williams suggested that a small improvement in the offer should be made in return for a no strike agreement. To this Tom King said that an agreement

/had been

had been reached on Friday and that the important thing was for agreements to be honoured. Bob Cryer tried to contrast the Government's attitude to arbitration in this case with its reluctance to accept arbitration in other disputes, such as the Civil Service and the steel industry, but most of the Opposition questions simply deplored the effect of the strike and implied that in a civilised country it was absurd for people to have to boil their water. To this Mr. ~~Kaufman~~ ^{King} said that he thought the mediation agreement reached on Friday was a civilised procedure, signed by both parties. The problems faced by the public should not be exaggerated. It was good sense to show moderation since this ~~will~~ ^{would} lessen the load on filtration plants, but only 2,000 houses were without supply today. He was unable to say how many were without supply on a normal day, but generally there was one major main failure and 70 minor burst mains everyday. He also managed to correct the mistaken view, voiced by some Opposition Members, that many of the workers involved in the dispute were sewerage workers who "spent their day wading through raw sewage"; most sewerage workers were employed by local authorities. Among Conservative backbenchers, Michael Morris suggested that private sector workers should be brought in to deal with the situation, and William Madel suggested that there might be scope for productivity payments.

STATEMENT BY THE SECRETARY OF STATE FOR THE ENVIRONMENT - 24.1.83
WATER PAY DISPUTE

Mr Speaker, I wish, with permission, to make a statement about the industrial action in the water industry.

The House will be aware that from last Monday night the unions representing manual workers in the water industry imposed an immediate ban on overtime and call out for emergencies.

They also announced ^{that} with effect from midnight last night ~~that~~ there would be a national strike.

The latest reports indicate that there have been some adverse consequences arising from last week's industrial action, which have affected normal water supplies in a number of local areas.

Where it has not been possible to repair burst pipes, a supply has been maintained by stand-pipes or tankering as appropriate.

In the South West, Manchester and parts of Wales the Water Authority has advised the public, as a precaution, to boil any water to be used for drinking or cooking.

Reports at midday today indicate that some 2,000 properties are without their normal supply.

Water Authorities have dealt this morning with bursts in major water mains in Eltham in South London and in the centre of Coventry.

There have been no major pollution incidents reported.

My Department is in close touch with the reports from the Water authorities, who are seeking to maintain adequate services to their customers.

As I informed the House last Tuesday, contingency steps have been taken by the Government in the event of water undertakers asking for assistance to maintain ^{essential} ~~existing~~ services.

Mr Speaker, the House will be aware that intensive discussions have been taking place under the auspices of ACAS, in an attempt to resolve this serious dispute.

On Friday agreement was reached on a procedure involving negotiations under an independent chairman appointed by ACAS.

It was also agreed that his powers should further extend to those of a mediator so that he could recommend terms for a satisfactory

settlement.

At that stage

These talks began on Saturday morning./the employers increased their offer.

That offer was rejected and after further discussions the independent chairman, acting then in his role as mediator made recommendations for a settlement.

The main recommendation was for an increase of 7.3% over 16 months plus an "improvement" in the service supplement.

The employers have indicated that these recommendations are broadly acceptable.

I understand that the Trade Union side of the NJIC is meeting this afternoon to consider these recommendations and that the full NJIC will meet this evening.

I very much hope that it will be possible for agreement to be reached at this evenings meeting and thus to end at the earliest moment the industrial action in the water industry which could otherwise have ^{increasingly} serious consequences ^{all over} ~~for~~ the ~~whole~~ country.

another 0.5 per cent from an increase in the five-year

Metropolitan Police (Reorganisation)

3.30 pm

Mr. Frank Dobson (Holborn and St. Pancras, South): On a point of order, Mr. Speaker. Has the Home Secretary told you that he wishes to make a statement about the reorganisation of the Metropolitan Police?

Mr. Speaker: I can give a reply at once. The Home Secretary has not said that.

Water Industry (Dispute)

3.31 pm

The Secretary of State for the Environment (Mr. Tom King): With permission, Mr. Speaker, I shall make a statement about the industrial action in the water industry.

The House will be aware that from last Monday night the unions representing manual workers in the water industry imposed an immediate ban on overtime and call out for emergencies. They also announced that with effect from midnight last night there would be a national strike.

The latest reports show that there have been some adverse consequences arising from last week's industrial action, which have affected normal water supplies in a number of local areas. Where it has not been possible to repair burst pipes, a supply has been maintained by stand-pipes or tankering as appropriate.

In the south-west, Manchester and parts of Wales, the water authority has advised the public, as a precaution, to boil any water to be used for drinking or cooking. Reports at midday today show that about 2,000 properties are without their normal supply. Water authorities have dealt this morning with bursts in major water mains in Eltham in south London and in the centre of Coventry. No major pollution has been reported.

My Department is in close touch with the reports from the water authorities, which are seeking to maintain adequate services to their customers. As I informed the House last Tuesday, contingency steps have been taken by the Government in the event of water undertakers asking for assistance to maintain essential services.

The House will be aware that intensive discussions have been taking place under the auspices of ACAS in an attempt to resolve this serious dispute. On Friday agreement was reached on a procedure involving negotiations under an independent chairman appointed by ACAS. It was agreed also that his powers should further extend to those of a mediator so that he could recommend terms for a satisfactory settlement. The talks began on Saturday morning. At that stage the employers increased their offer. It was rejected. After further discussions the independent chairman, acting then in his role as mediator, made recommendations for a settlement. The main recommendation was for an increase of 7.3 per cent. over 16 months plus a further 0.5 per cent. from an increase in the five-year service supplement. The employers have said that these recommendations are broadly acceptable.

I understand that the trade union side of the National Joint Industrial Council is meeting this afternoon to consider these recommendations, and that the full NJIC will meet this evening. I hope that it will be possible for agreement to be reached at this evening's meeting and thus to end, at the earliest moment, the industrial action in the water industry, which could otherwise have increasingly serious consequences all over the country.

Mr. Gerald Kaufman (Manchester, Ardwick): Is the right hon. Gentleman aware that the circumstances are potentially exceptionally grave? Millions of households are already being seriously inconvenienced and many more could face far worse hazards unless the dispute is settled quickly.

Is the right hon. Gentleman further aware that all of these lamentable developments are the result, specifically

Mr. Raison: Her Majesty's Government's policy in Angola is to concentrate on English language teaching. A small team of English language teachers was appointed in 1981 to assist the National Language Institute in Luanda. In addition, small items of equipment are provided to Angola under the heads of mission gifts scheme.

Mr. Ginsburg: I join hon. Members in congratulating the right hon. Gentleman and also welcome his reply. Will he not agree that there is scope for further aid to Angola, especially if the problem of the seven British detainees can be resolved? Will he consider that the cost to the Angolan Government of keeping seven British detainees in prison for 18 years must be considerable and that it would be within the resources of this country to make such a sum available if the problem could be satisfactorily resolved?

Mr. Raison: I understand the hon. Gentleman's concern for his constituent. I do not think that it would help the prisoners if we were to link our aid programme directly to the question of their future treatment.

Mr. Sever: In welcoming the Minister to his new responsibility on the Front Bench, may I apologise for the absence of my hon. Friend the Member for Greenwich (Mr. Barnett) who is indisposed. Will the Minister confirm that, prior to his departure for discussions taking place later this week with colleagues in Africa on the future of that continent's development, he will announce to the House that it is no longer his intention, as reported, to stay in South Africa en route to the talks?

Mr. Raison: I am greatly looking forward to my visit to southern Africa this week. The fact is that I felt it my duty to be here to answer questions. The only way in which I could answer questions today was to catch the particular aircraft on which I am flying.

Mr. Proctor: May I add my congratulations to my right hon. Friend on his new appointment? Further to the supplementary question raised by the hon. Member for Dewsbury (Mr. Ginsburg), is my right hon. Friend aware that a constituent of mine is also incarcerated in Angola? Will he draw the attention of other Foreign Office Ministers to the urgency of a meeting between our ambassador in Angola and President Dos Santos at the earliest opportunity?

Mr. Raison: I understand my hon. Friend's concern for his constituent. We are currently seeking clemency for the prisoners at the highest level in the Angolan Government.

India

48. **Mr. Greville Janner** asked the Secretary of State for Foreign and Commonwealth Affairs what funds were made available for the Republic of India in the years 1981 and 1982, respectively; and how much he intends to make available in 1983.

Mr. Raison: British aid is planned by financial rather than calendar year. For the financial year 1980-81, gross aid to India totalled £141 million and for 1981-82 £102 million. For the current financial year, I expect gross aid to be about £111 million.

Mr. Janner: I join in welcoming the Minister to his comparatively peaceful new life. Has he had time to acquaint himself with the awful tragedy of the November cyclone in the state of Gujarat, which killed hundreds of

people, destroyed thousands of cattle and ravaged the countryside? What specific help is he proposing to give to former Chief Minister Babubhai Patel and his team in coping with the disaster? What assurance can he give to citizens of Gujarati origin in Leicester and elsewhere that he is aware of the problem and will help where possible?

Mr. Raison: I am aware of the sad consequences of the recent cyclone in Gujarat. The Government of India did not ask for international assistance. However, the ODA's disaster unit arranged through Oxfam for the local purchase of up of £23,000 worth of roofing materials.

Mr. Sever: Will the Minister confirm that there are immediate proposals in hand at any time, when such a disaster occurs, for relief to be offered to requesting countries? Will he investigate the possibility of making advances to countries that have suffered from disasters without their necessarily having to ask for aid?

Mr. Raison: There is a system, I understand, by which immediate disaster relief is made available, I take the hon. Gentleman's second point. Nevertheless, we must be sure that Governments concerned want aid before pushing it on them.

Mr. Deakins: Is the minister happy that our aid to India, with a population of 700 million, should be so disproportionate when compared with the aid that we propose to give to the 1,800 people in the Falkland Islands?

Mr. Raison: I believe that both programmes are entirely necessary. What we are doing in the Falkland Islands is right, but it is proper that much the largest proportion of our aid programme should go to India.

Employment (United Kingdom)

49. **Mr. Welsh** asked the Secretary of State for Foreign and Commonwealth Affairs what consideration his Department gives to the effect on employment in the United Kingdom when deciding on overseas aid expenditure.

Mr. Raison: The basic aim of our aid programme is to assist developing countries in their efforts to raise living standards. In carrying out the programme, we seek to ensure that aid is used where possible in ways that are also of benefit to Britain, including employment.

Mr. Welsh: Is the Minister aware that there seem to be no figures for employment created in this country as a result of overseas aid? Would he agree that that is wrong? The country should know that investment overseas creates employment in this country. Will he produce the figures to show the nation the good that we obtain from helping our brothers and sisters through overseas aid?

Mr. Raison: There is no doubt that the amount we spend on overseas aid produces considerable employment in this country. I am advised that it is technically difficult to quantify the figure precisely.

Later—

Mr. Kenneth Carlisle: On a point of order, Mr. Speaker. During Trade Questions, eight Opposition hon. Members were not present to ask their questions. Is that not disrespectful, both to the Chair and the House, and a waste of taxpayers' money?

✓ MS

TOM KING (SECRETARY OF STATE FOR THE ENVIRONMENT)

Transcript from BBC Radio 4, Today Programme. 24 January 1983.

PRESENTER: JOHN TIMPSON. In our radio car is the Environment Secretary, Mr Tom King. Good morning Mr King.

KING: Good morning.

TIMPSON: Well now I don't know if you heard Mr Kaufman, your opposite number, speaking earlier in the programme; but he was saying that the trouble was caused by your meddling in this dispute last November, when the National Water Council wanted to make an offer of 6% and you rang them up and told them not to. Now is that the case?

KING: The background to this dispute is that the employers - and I think everybody has forgotten this - actually what the employers offered was 4% and, at the same time, they did actually offer arbitration because, as I think people now realise, there are sort of 2 claims muddled up in this dispute: one is what should be the pay claim for this year and the other is whether the whole water pay situation should be on an entirely different basis. And the employers, at that time, offered arbitration. Obviously they talked to me about it because that's always been the case in the water industry, they've talked to successive Governments.

TIMPSON: But is it not a fact that if you had not talked to them they would have been happy to have given 6% at that time?

KING: I don't know. They reached their final decision and they decided to offer the basis that they would and, in the end, they have to reach their decisions on that but, obviously, we take an interest and I make no secret of it.

TIMPSON: Now what about this s trike ballot, now. It was also

suggested by Mr Kaufman that this is rebounding on the Government, that you've been urging them to take these ballots before going on strike and, having done it and decided on the strike, it's very difficult to get out of it?

KING: Well I think there are certain aspects of this ballot on which I don't think I'd like to comment at this moment but which may come to light a bit later on. But I think this is actually tackling the wrong of this because my hope now is that, following the very extended mediation right over the weekend and the very extensive meetings, the employers and the unions are going to meet again - and firstly, obviously, the unions have to meet again - and I very much hope, now, that they will feel that the offer that the mediator has made - after studying, in depth, their claim - that this is a reasonable offer and that it will be possible to end the industrial action. Because your broadcast has already shown that while it's only happening in a few places, it can cause real inconvenience and difficulties for people and I hope people will feel that, in the light of the claim and the offer that is now being made and the award by the mediator, that it really can't be justified to carry on with industrial action.

TIMPSON: But it would be an extremely unpleasant thing to be happening in the run up to an election; to have the possibility of this boggy of sewage in the streets?

KING: Well, if I may say so, I think that's all talking too politically at the moment. I'm concerned about people and I'm concerned, firstly, I'm certainly concerned to see that the water workers do get a fair deal. I'm also concerned to see that their customers get a fair deal - particularly industry which is the biggest customer, of course, for water - and I am concerned that industrial action, if it hits industry at the present time,

could be very damaging to them at a time when so many companies, in the present world recession, are fighting to stay competitive. The last thing ~~that~~ they want is a dispute of this kind and I hope ~~that~~ the water workers, who do a very good job and have a high record of service to the public, will recognise that, in these difficult times, the offer that's been ~~made~~ made to them is not unreasonable and certainly not one against which massive industrial action could be justified.

TIMPSON: But of course, one could make comparisons with the NHS dispute where the employers, there, stayed very firm and didn't increase the offer at all for a long while; whereas we now have certainly 2 little increases (one after the other) and it might give the impression that if you can get 2, you can get 3 or 4?

KING: You can make all sorts of comparisons. I'm currently concerned to deal with this issue on its merits and I think the less outside comparisons or factors or comments that are made, the more helpful it will be, now, to try and get a settlement. The important thing, now, is that the unions will meet today; they will consider the proposals that have been put by the mediator, his determination of their discussions over these many, many hours; and I hope that it will be felt, on balance, that industrial action can now be suspended and stopped. Because I really don't think, faced with the sort of offer they've had, that, possibly, it could be justified to take industrial action with the sort of consequences that could follow.

TIMPSON: But you say that we mustn't make comparisons, Mr King, but it's comparisons which are the cause of this trouble because the water workers are comparing their pay with the pay in other service industries?

KING: Well your suggestion is that, actually, they've done rather better already than some of the settlements that have been made earlier in the year

and obviously you can make that argument.

TIMPSON: No, I was comparing them with the comparison that they 're making; that their 15% will only bring them up level with other workers?

KING: Well it depends what other workers. They are, at the moment, earning just about on average, national earnings.

I don't want to get into the disputes and arguments today about this because they will have to think about their position.

But they will know the facts very well and people know the sort of levels of pay that are involved and, of course, it's been announced, last night, the sort of increase that the mediator was talking about. Now they've got to reach their decisions on this. I'm willing to have all the post mortems in the world at a later stage. Today I'm concerned to see this strike threat removed so that people aren't concerned - either in their domestic lives in their homes or in industry - about the possible damage that this could do.

• TIMPSON: Mr King, thank you very much.

KING: Thank you.



① Memo of Intimidation
reached us week at ACAS ✓
② Buchanan's Report ✓

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:
Your ref:

24 January 1983

Dear Michael,

WATER INDUSTRY DISPUTE - STATEMENT TO HOUSE OF COMMONS

I enclose a statement on the water industry dispute which my Secretary of State proposes to make this afternoon. Given the nature of the situation with events moving rapidly it is, of course, possible that there will be further changes before 3.30 pm.

the Chancellor of the Exchequer,

I am copying this to the Home Secretary, the Leader of the House of Commons, the Paymaster General, the Secretaries of State for Employment, Scotland and Wales, and to the Chief Press Secretary at No 10.

yours sincerely
Helen Ghosh

MRS H GHOSH
Private Secretary

WATER PAY DISPUTE

Mr Speaker, I wish, with permission, to make a statement about the industrial action in the water industry.

The House will be aware that from last Monday night the unions representing manual workers in the water industry imposed an immediate ban on overtime and call out for emergencies.

They also announced with effect from midnight last night that there would be a national strike.

The latest reports indicate that there have been some adverse consequences arising from last week's industrial action, which have affected normal water supplies in a number of local areas.

Where it has not been possible to repair burst pipes, a supply has been maintained by stand-pipes or tankering as appropriate.

In the South West, Manchester and parts of Wales the Water Authority has advised the public, as a precaution, to boil any water to be used for drinking or cooking.

Reports at midday today indicate that some 2,000 properties are without their normal supply.

Water Authorities have dealt this morning with bursts in major water mains in Eltham in South London and in the centre of Coventry.

There have been no major pollution incidents reported.

My Department is in close touch with the reports from the Water authorities, who are seeking to maintain adequate services to their customers.

As I informed the House last Tuesday, contingency steps have been taken by the Government in the event of water undertakers asking for assistance to maintain existing services.

Mr Speaker, the House will be aware that intensive discussions have been taking place under the auspices of ACAS, in an attempt to resolve this serious dispute.

On Friday agreement was reached on a procedure involving negotiations under an independent chairman appointed by ACAS.

It was also agreed that his powers should further extend to those of a mediator so that he could recommend terms for a satisfactory

ttlement.

At this stage

These talks began on Saturday morning./the employers increased their offer.

That offer was rejected and after further discussions the independent chairman, acting then in his role as mediator made recommendations for a settlement.

The main recommendation was for an increase of 7.3% over 16 months plus an "improvement" in the service supplement.

The employers have indicated that these recommendations are broadly acceptable.

I understand that the Trade Union side of the NJIC is meeting this afternoon to consider these recommendations and that the full NJIC will meet this evening.

I very much hope that it will be possible for agreement to be reached at this evenings meeting and thus to end at the earliest moment the industrial action in the water industry which could otherwise have serious consequences for the whole country.

RECOMMENDATIONS OF THE MEDIATOR IN A DIFFERENCE BETWEEN THE TWO
SIDES IN THE NATIONAL JOINT INDUSTRIAL COUNCIL FOR THE WATER SERVICE

- 1 By minute dated 21 January 1983, I was appointed by the Advisory, Conciliation and Arbitration Service to act as mediator in the above difference with the following powers and terms of reference:
"to assist the parties to negotiate a satisfactory settlement having full regard to the NJIC trade union side 1982 claim on pay and conditions and - in particular - that part of the claim seeking an improvement to the relative earnings position of water workers in the national manual workers earnings league".

- 2 I met the parties jointly and separately at the offices of the National Water Council at 1 Queen Anne's Gate, London SW1 on 22 and 23 January 1983. They submitted to me oral and written evidence and I was asked to direct myself to two aspects of the claim which the trade union side had made, namely:
 - (a) an increase in rates of pay in line with "the going rate" of settlements and inflation; and
 - (b) an increase in average gross earnings to bring water workers into the upper quartile of the manual workers' national earnings league.

- 3 In view of the urgency which attaches to this matter, I will not summarise the evidence, but proceed at once to consider my recommendations.

- 4 In framing my recommendations I took most careful account of all the evidence that was submitted by both sides on the claim. I deal first with that part of the claim seeking an improvement to the relative earnings position of water workers in the national manual workers earnings league. I noted the trade unions' demonstration that the position of their members vis-a-vis workers doing comparable jobs in the gas and electricity industries had deteriorated very markedly between 1975 and 1978, and again, after 1979. In 1979, the water workers recovered lost ground in their relative position when they received a pay increase, which included a comparability payment amounting to 8%. The causes of the subsequent decline lie in the wage movements which occurred in the gas and electricity industries very shortly after the 1979 water workers' increase.
- 5 One can readily appreciate that the existing position in relation to the comparator workers should provide the basis for a deeply held sense of grievance, and for efforts to have the position improved.
- 6 However, the circumstances prevailing in 1979, which allowed for the provision of a comparability exercise do not apply now; conditions in the labour market have changed to an unparalleled extent as large scale unemployment has made its impact on terms and conditions of employment - particularly the rate at which these terms and conditions have changed. Thus, I consider the water workers - through this adverse movement in relative position - to have been the victims of wage inflation elsewhere in the economy, on the one hand and the recession, on the other.

7 But, having said this, I do not think it would be right to make a recommendation along the lines the trade union side sought; the changes that I have referred to above are facts of life and the proposal that the clock should be put back for a certain group of workers is unsound. Thus, I do not recommend that there should be any increase to bring water workers into the upper quartile of the manual workers' national earnings league; nor do I recommend that there should be any increase on this part of the claim which would restore the relative position of water workers in the said earnings league to some previously prevailing position.

8 Nevertheless, I recognise that a deeply held grievance exists, and that it will continue to be an important influence on the attitude of the trade union side. I think the employers' side too, should recognise that this is a problem which will not go away, unless there is an understanding, positive, and determined response on their part, with a view to increasing earnings opportunities for the manual workers in the Water Industry. There are already certain possibilities which the sides could explore and rapidly proceed to implement; e.g. administrative efficiencies by moving to payment of wages by credit transfer, and development or extension of performance-related bonus schemes. I recommend that they now do so as a matter of great urgency.

9 I turn now to "the going rate" aspect of the claim. I consider that there are positive advantages for the parties in moving their settlement date from the first Sunday in December (as currently applies) to the first Sunday in April. Thus, the rate of increase that follows is recommended to run for 16 months with effect from

5 December 1982. On this basis, and in response to the union side's claim for an increase in line with "the going rate", I recommend an increase of 7.3%. I expect this recommended increase to be fed through to other supplementary payments, in line with existing national and/or local agreements. The increase of 7.3% is exclusive of the service supplement which I recommend should be at the rate of the employers' side's last offer, i.e. 5.2p per hour.

- 10 Having made the above recommendations, I consider that I have discharged my duties as mediator to the parties on the one hand, and to ACAS, who appointed me, on the other. I urge the parties to give the most earnest consideration to what I have recommended.

2.5 p per hour
→

I L BUCHANAN

MEDIATOR

23 January 1983

Advisory, Conciliation and Arbitration Service

11-12 St James's Square, London SW1Y 4LA

Telephone Direct Line 01-214-8016
Switchboard 01-214-6000

J M Y Dickens Esq
Employers' Side Secretary
National Joint Industrial Council
for the Water Service
1 Queen Anne's Gate
London SW1H 9BT

Your ref:

Our ref:

21 January 1983

Dear Mr. Dickens ✓ 21/1

1982/83 PAY AND CONDITIONS OF SERVICE CLAIM

I am attaching copies of the agreement signed by the Chairmen and Secretaries of the two sides of the NJIC at ACAS this afternoon.

As I indicated to you when we met this afternoon I am now writing formally to summarise the points which I, as Chairman of ACAS, made at our meeting.

I should emphasise that the agreement which you have signed is between the employers and the trade unions. But it has been under-written by ACAS and to that extent ACAS is associated with the agreement.

Clause 3

It is only necessary to explain that any recommendations of a Mediator are not binding. They may be accepted by the parties as they stand, rejected or amended by agreement between the parties as a result of further negotiations.

Clause 4

This clause was inserted at the unions' request to lay emphasis on the importance that the unions attach to the claim which seeks improvement to the relative earnings of water workers in the national earnings league. It goes without saying that the employers will have the right to table their full response to this claim both during negotiations and with the Mediator.

Clause 5

The first sentence of this clause registers the total commitment of both sides to try to reach an agreement on the unions' claim through direct negotiations. The Mediator will assist in any way he can. I am sure that everybody here would accept this as the preferred course because we do face a potentially damaging dispute which must be stopped. I therefore urge this course upon the parties.

The second sentence is an acceptance in general terms by both sides that there are procedural obligations made and contained in the written Constitution of the NJIC and that these will be observed.

J M Y Dickens Esq

The third sentence of the Clause deals specifically with the possibility of arbitration - the final stage in the procedure. It emphasises that arbitration is the course of last resort which means that it will only be used when negotiations properly carried out (in this instance with the help of the Mediator) have failed to produce an agreement. I consider that the sentence is absolutely clear. In the circumstances of such a disagreement either party would have the right to seek arbitration and the other would have the obligation to respond.

In the absence of any intervention by either side when I was making these points the parties have signified their agreement with them.

Needless to say, ACAS remains available to assist the parties in any way if necessary.

Yours sincerely,
J. P. Lowry

J P LOWRY

Advisory, Conciliation and Arbitration Service
11/12 St James's Square
London SW1Y 4LA

Reference: ACAS 2C/114/1983

MINUTE OF APPOINTMENT

A difference having arisen between the two sides of the National Joint Industrial Council for the Water Service; the Advisory Conciliation and Arbitration Service appoints Mr I L Buchanan to act as mediator with terms of reference and powers as set out in the attached agreement.

The Service further appoints Mr A J Lord to act as Administrative Assistant.

SIGNED on behalf of the Advisory, Conciliation and Arbitration Service, this 21st day of January 1983.

C L PARISSON

AGREEMENT

WATER INDUSTRY DISPUTE

Arising from discussions held under ACAS auspices between representatives of the employers and representatives of the trade union side of the National Joint Industrial Council for the Water Service it is agreed as follows:-

1. At the request of ACAS a special meeting within the purview of the NJIC shall be convened on Saturday, 22 January in order that negotiations may be resumed on the 1982/83 pay and conditions of service claim of the trade unions.
2. This special meeting shall be opened and chaired by an Independent Chairman appointed by ACAS. He will be Mr I L Buchanan.
3. The Independent Chairman shall first give guidance to the negotiators. His powers shall further extend to those of a mediator so that he may recommend terms for a satisfactory settlement.
4. The terms of reference of the mediator shall be to assist the parties to negotiate a satisfactory settlement having full regard to the NJIC trade union side 1982 claim on pay and conditions and - in particular - that part of the claim seeking an improvement to the relative earnings position of water workers in the national manual workers earnings league.
5. The parties commit themselves to bargain in good faith with the firm intention of reaching agreement through direct negotiations assisted, as necessary, by the mediator. The parties acknowledge all the procedural rights and obligations set out in the constitution of the NJIC. In this connection the parties will only exercise their right to invoke the final stage of the procedure in the last resort.

SIGNED ON BEHALF OF THE EMPLOYERS' SIDE

SIGNED ON BEHALF OF THE TRADE UNIONS SIDE

[Signature]

 CHAIRMAN

[Signature]

 CHAIRMAN

[Signature]

 SECRETARY

[Signature]

 SECRETARY

DATE: 21, January, 1983

DATE: 23 January 1983

WITNESS: *[Signature]*

 J P LOWRY
 CHAIRMAN

ADVISORY, CONCILIATION AND ARBITRATION SERVICE

DATE: 21 January 1983