

MR SCHOLAR

cc Mr Butler
Mr Mount
Mr Ingham

WATER STRIKE: CHAIRMAN OF THE INQUIRY

I understand that there has been in the last hour or so a new development in that Professor Tom Johnston may after all be available to Chair the inquiry.

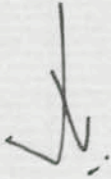
Of the seven names on the list we suggested to the NWC, Johnston was the only one who also appeared on the unions' list, and therefore the only one on whom both the sides were able to agree yesterday. But he declined the appointment, on the grounds that he was in the middle of preparing the Annual Budget for Herriot Watt University, of which he is Vice-Chancellor. Nothing is yet settled, but it does now seem highly probable that he will be appointed; the Prime Minister may therefore wish to know something of him.

His career can be discovered in Who's Who. He was appointed by Mr Heath to the National Industrial Relations Court, where he sat under Donaldson implementing the 1971 Act, a task by no means popular with the unions. Since then he has had a variety of positions, including Chairman of the MSC for Scotland from 1977-1982. He is an Economist, but unknown to Alan Walters.

He is understood to be a believer in the free market, and his track record is satisfactory. Last year he was the arbitrator for the teachers in England and Wales, and produced a settlement (6%) very closely in line with the then going rate (the Civil Service arbitrator awarded 5.9%). In 1980 he was Chairman of the inquiry into unions in the London Clearing Banks, and produced a report strongly critical of BIFU. The only black mark I can see against him is his association with Wages Councils.

I am told that the Scottish Office think highly of him, and recommended him for a Knighthood last year; it might be worth asking Mr Younger's office if they can cast any further light,

particularly on his likely attitude towards comparability or market factors as determinants of pay.

A handwritten signature, possibly initials, consisting of a vertical line with a hook at the top and a horizontal line at the bottom.

16 February 1983

PRIME MINISTER

cc Mr Ingham
Mr Mount

WATER STRIKE MEETING, 16 FEBRUARY

(i) Situation Report (Mr King and Mr Edwards)

I think there are three points to cover:

(a) Properties on standpipes, and numbers advised to boil; today's indications are that the former are increasing steadily, but the latter are more or less unchanged;

(b) The decision of the craftsmen to come out on strike as from next Sunday. Would they really do this, as threatened, even if the Committee of Inquiry has been established?

(c) The prospects for a return to work before the Committee of Inquiry has reported its findings. Your suggestion in the House this afternoon that there is no point in continuing the strike was widely reported; and I am told that the NWC intend to reinforce that message in a statement at the end of today's talks.

(ii) The Negotiations (Mr King and Mr Tebbit)

You will want a progress report on the outcome of today's ACAS discussions on four points:

(a) Assurances that the parties will accept the findings of the Committee of Inquiry. Is the text of the private letter from Lowry to the NWC available? I have been told that his letter may contain an assurance that when he Chairs the eventual NJIC, he will "impose" the findings of the inquiry. Does he have anything privately from the unions to justify that?

(attached)

(b) The choice of Chairmen: you will have seen Michael Scholar's note containing a list of possible names;

(c) Terms of reference: you saw my note at lunchtime today indicating that the Government has suggested to the NWC a very short form of words ("to enquire into the matters currently in dispute between the two sides of the NJIC, and to make an award" or "... and to report its findings");


(d) Timetable: when will the inquiry start, and when will it finish?

(iii) CCU Activity

The Official CCU under David Goodall's Chairmanship has finalised papers from the Department of the Environment on the use of contractors; and on the legal position of the water authorities' duty to supply services. Those papers will be circulated to Ministers tomorrow. The Home Secretary will be Chairing a meeting of the Ministerial CCU on Thursday afternoon.

(iv) Presentation (Mr Ingham)

Is there anything that can be done to increase public and media pressure on the water workers to return to work when the inquiry is established? Or to ensure that the inquiry is seen as binding? (At my suggestion Bernard has spoken to the BBC to get that particular point right).


16 February 1983

11-12 St James's Square, London, SW1Y 4LA
Tel No: 01-214-6590/8509/8152

16 February 1983

WATER DISPUTE

A Committee of Inquiry into the water dispute has been set up by ACAS with the following terms of reference:-

"The Committee is invited to inquire into the matters currently in dispute between the two sides of the National Joint Industrial Council for the Water Service and to report its findings in order to resolve the current dispute and restore normal working in the industry."

The members of the Committee are Dr T L Johnston (Chairman), Mr W H Keys and Mr M Bett. The Secretary is Mr C L Parsisson.

The Committee's hearings will be held in private at 11-12 St James's Square, London SW1Y 4LA, but its report will be published as soon as possible. The Committee will begin its work tomorrow with a full examination of the background papers and the written submissions of the parties. Hearings will begin on Friday, February 18, at a time to be announced.

Notes to Editors:

1. Biographies: Dr Tom Johnston is Principal of Heriot-Watt University, Edinburgh, and a former Chairman of the Manpower Services Commission Committee for Scotland. His experience in the field of industrial relations, as an arbitrator and chairman of committees of inquiry, dates from 1965.

Mr W H Keys is General Secretary of SOGAT 82 and a Member of the General Council of the TUC.

Mr M Bett, MA FIPM, is Board Member for Personnel, British Telecom.

2. Publication of the Committee's report will be arranged by ACAS at the request of the Committee's Chairman.
3. There will be a photo facility immediately before the committee starts its deliberations. The time and venue will be notified via ACAS Press Office as soon as possible.

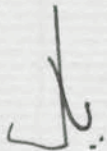
MR SCHOLAR

cc Mr Butler
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WATER STRIKE: COMMITTEE OF INQUIRY

I understand that, as indicated in my earlier note would probably be the case, Professor Tom Johnston has now been agreed as the Chairman of the Inquiry. ACAS will announce this at 4.00 pm this afternoon, together with the terms of reference.

Johnston is not available until Friday afternoon, but the unions are apparently putting great pressure on him to report urgently, ie over the weekend, because they want an NJIC meeting on Sunday so that they can get their members back to work on Monday. Clearly the unions are worried about their members starting to drift back anyway, and the Department of Employment are saying privately to ACAS that they should not rush the process unduly. I am sure that is right: the more pressure that is put on Bill Keys, the better, and the outcome is more likely to be reasonable if it is apparent to the inquiry team that the strike is ending naturally.



16 February 1983