

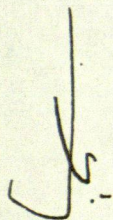
MR SCHOLAR

cc Mr Butler ✓
Mr Mount
Mr Ingham

COMMITTEE OF INQUIRY ON THE WATER DISPUTE

I share the Prime Minister's dismay, as I am sure we all do, at the way in which the Committee of Inquiry has gone about its task. It is appalling that what we had hoped would be a quasi judicial arbitration, leading to recommendations on the basis of the merits of the arguments, should have degenerated into yet another negotiating forum.

But with the advantage of hindsight, it seems to me that the cause can be traced to the phrase which was added to the terms of reference at the last minute - "... and to report its findings in order to resolve the current dispute and restore normal working in the industry". When we were first told of the likely terms of reference, that phrase did not appear. Its inclusion does I think make it difficult for the inquiry to report without checking with the parties first whether the proposed recommendations are likely to resolve the dispute; and if not, a process of negotiation between the Committee and the parties was inevitable. All we can do is remember this point for any future inquiries, which should be asked simply to make recommendations on the merits of the case. Meanwhile, I do not think the Prime Minister would be on very good ground in criticising the inquiry, however obliquely, for the way it has gone about its business.



22 February 1983