

PRIME MINISTERShell, Sanctions-Breaking and Sir Frank McFadzean

I spoke to the Attorney-General's Legal Secretary this afternoon to check on the present position regarding criminal proceedings arising out of the Bingham Report.

The formal position ^{is} ~~in~~ unchanged, i.e. the Bingham Report is regarded as constituting prima facie evidence of breaches of the sanctions legislation and the DPP, in consultation with the police, is considering whether there should be prosecutions. The Attorney is to have a conference with the DPP very shortly. His inclination was to conclude, pretty rapidly, that these investigations should be brought to an end and that the DPP should decide not to take proceedings. He is, however, aware that this is a matter of great political sensitivity, not only in relation to his own position (he does not wish to hear cries of Clay Cross at Question Time in the House) but also in relation to the Rhodesia situation as a whole. A decision not to pursue charges would be noted in Africa and could be exploited by those with an inclination to do so. Present thinking is therefore tending to the view that the DPP and the police should continue with their investigations. These will probably run into the sand later on this year and lead to a decision not to proceed: this could then emerge at a convenient time when the Government's policy on Rhodesia has been taken much further towards its conclusion.

The foregoing is still subject to further discussion by the Attorney and the DPP. The implication as regards Sir Frank McFadzean is that he remains a possible candidate against whom proceedings might be taken for some time to come. It remains then a matter of judgement whether you regard this as an obstacle to his taking up a post of any kind working for the Government. My own view is that an appointment to another State industry (albeit in the oil field), following a successful

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term as Chairman of British Airways, would be so self-evidently sensible as to disarm, or at least deflect, criticism. An appointment to CPRS (unless, perhaps, part-time as a member of a directing board) might be more sensitive.

K.R.S.

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