



01-405 7641 Extn 3201

ROYAL COURTS OF JUSTICE

LONDON, WC2A 2LL

15 June 1979

PRIME MINISTER

CROWN AGENTS INQUIRY

1. I have now seen Robert Gatehouse QC, who is, as Counsel to the Tribunal, performing the same function as I, as Attorney General, would always have done prior to the Salmon Report.
2. Gatehouse and his team of two other Silks and two juniors have all taken the view that nothing is likely to come out of the Tribunal in the end, and he tells me that all Counsel involved in the work of the Tribunal share the opinion that the continuation of the work of the Tribunal is a huge waste of public money and an unjustifiable diversion of the time and skills of so many professional people. Gatehouse is prepared to write to me confirming his team's view.
3. Gatehouse also told me that it was his firm view that there was no "half-way house" solution, and that if it were decided to terminate the Inquiry, the sooner it were done the better. The Tribunal is now hearing the evidence of Challis and will be adjourning for a short break between 28 June and 9 July. They rise for the long Vacation at the end of July. It is possible that, before then, Sir Claude Hayes will be examined. It would be extremely difficult, for obvious reasons, to terminate the Inquiry during the course of Hayes's evidence. If the Inquiry is to be terminated it should be terminated before he goes into the box and I would therefore urge that a decision be taken very soon.

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of the Home Secretary.

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15 JUN 1979

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FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

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PRIME MINISTER

CROWN AGENTS INQUIRY

1. I have seen a copy of the Home Secretary's minute of 11 June. I agree that we should give serious consideration to abandoning the inquiry.
2. It is true that in Opposition we welcomed the motion for the establishment of the 1921 Act Tribunal. It should, however, be recognised that what, in effect, we were welcoming was the decision of the Labour Government to establish a public inquiry under the procedure of the 1921 Act rather than a private inquiry of the kind originally conceived by the Government of the day. The decision to hold a further inquiry was one which had already been taken by the Government. It should also be recalled that we abstained at the conclusion of the debate of 5 December 1977. I do not underestimate however the serious political difficulties that there will be in taking this course of action.
3. I agree with the Lord Chancellor that, whatever may be the legal position, we should seek the approval of both Houses of Parliament if we wish to discontinue the inquiry.
4. It may be that we should look for some "half-way house" by seeking to expedite the work of the inquiry in some way. Besides the informal soundings which the Home Secretary intends to carry out, it may be of advantage to ascertain whether there is a possibility of achieving such a compromise solution; in this regard it may be of some assistance if, when I see Counsel for the Tribunal, I sound out his views.
5. I am copying this minute to the recipients of that of the Home Secretary.

M.H.

14 June 1979

