

16. P.  
PRIME MINISTER

~~16~~ No. 10  
inform.  
P.A.  
27/6

You suggested that you should chair a discussion, in an ad hoc sub-Committee, about the proposal to halt the Crown Agents Tribunal of Inquiry.

Questions at issue are the difficult and legal hurdles that arise, particularly when the Government may be deciding not to undertake any further inquiry in the wake of the Bingham Report. Would it not therefore be simplest to put this question on the Cabinet Agenda on Thursday 5 July, when you will also be taking a final decision on the Bingham question?

If you agree, I will arrange for the Home Secretary to circulate a short paper.

MAP

26 June 1979

It is too complicated  
to discuss in Cabinet

MS

PRIME MINISTER

The Home Secretary (Flag A) has proposed that the Crown Agents' Tribunal of Inquiry should now be brought to a halt. The Foreign and Commonwealth Secretary (Flag B) agrees, subject to careful presentation. In other correspondence not included here, Messrs. St. John-Stevas, Howe, Havers and Lord Hailsham and Lord Soames all agree that continuation will be a waste of expensive legal talent and of public funds; but recognise that there will be some political and legal hurdles to cross in terminating it. Lord Hailsham and Sir Michael Havers consider that the approval of both Houses of Parliament should be sought to the discontinuation of the Inquiry. Mr. St. John-Stevas suggests that a three-hour debate (on the adjournment motion) will be needed before the summer recess (and after consultation with the tribunal members and perhaps the 1922 Committee).

Are you content that the Home Secretary and the Foreign and Commonwealth Secretary should between them arrange for the termination of the Inquiry, with due regard to presentation?

*M.A.P.*

25 June 1979

*Beating in with any action  
(or otherwise) we may take on  
Dypham - I doubt whether this  
is the right way to propose such  
a step. - Can we discuss  
with ad-hoc sub-committee  
Ld. A.C. H. Sec. N.H. J. St. H.P. M.T.  
Widman*



Foreign and Commonwealth Office

London SW1A 2AH

25 June 1979

old

Dear John,

Crown Agents: Tribunal of Inquiry

Lord Carrington has given careful consideration to the proposal in the Home Secretary's minute of 11 June that the possibility of disbanding the Tribunal of Inquiry into the Crown Agents affair should be investigated.

The Foreign and Commonwealth Secretary entirely agrees with the Home Secretary that the final cost of this exercise is likely to outweigh any possible public benefit. However he thinks it must be recognised that, since the events now being considered by the Tribunal took place in the main during the last Conservative Administration, any move to disband the Tribunal will need careful presentation. Lord Carrington would be content to be guided by the advice of his other colleagues in this matter. But if it were decided to terminate the Inquiry, he hopes that thought will be given to how Ministers could defend themselves against accusations of a "cover-up".

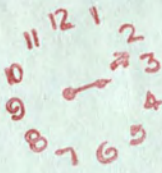
I am copying this letter to the Private Secretaries to the Prime Minister, the Lord Chancellor, the Chancellor of the Exchequer, the Lord President, the Chancellor of the Duchy of Lancaster and the Attorney General, and to the Treasury Solicitor and Sir John Hunt.

*For and by*  
*JGH*

(G G H Walden)  
Private Secretary

J A Chilcot Esq  
Private Secretary to the Secretary of State  
for the Home Department  
Queen Anne's Gate  
London SW1

25 JUN 1979





with compliments

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Chancellor of the Duchy of Lancaster

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21 June 1979

*Dear Willie,*

## CROWN AGENTS: TRIBUNAL OF ENQUIRY

Thank you for sending me a copy of your minute to the Foreign and Commonwealth Secretary of 11 June. I agree that the Tribunal of Enquiry into the Crown Agents should be abandoned if it is now clear that the results will not justify the costs.

I also agree with the Lord Chancellor and the Attorney General that we should seek the approval of both Houses of Parliament. In the Commons this will probably mean a three-hour debate on a motion for the adjournment. It should clearly be preceded by consultations with the Tribunal itself and, in view of the likely political reaction, I think it would also be prudent to consult the 1922 Committee. The main criticism is likely to come from members of the Opposition but there will be some feeling among our own supporters as well.

As you know, the timetable in the Commons is very congested in the period up to the long recess, and the pressure will become greater as we get further into July. From my own and the Chief Whip's point of view the sooner we can arrange the debate the better, and there will not be much time for the preliminary consultations. I therefore hope very much that a decision in principle can be reached during the next few days.

Cont...

25 JUN 1979



CONFIDENTIAL

I am sending copies of this letter to the Prime Minister and to the other recipients of yours and also to the Chief Whip.

*Yours ever* *W.*

The Rt Hon William Whitelaw, CH, MC  
Secretary of State  
Home Department  
Queen Anne's Gate  
LONDON  
SW1

CONFIDENTIAL





MS

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

21 June, 1979

*Dr White*

Your minute of ~~11th~~ June suggested that we should seriously consider abandoning the Inquiry into the Crown Agents affair.

I am conscious that my Department is one of those whose conduct in the matter is before the Tribunal. For that reason alone I should not want to argue for the abandonment of the investigations if I thought it was likely to produce a useful report from which we could learn how to avoid similar episodes in the future.

But I do not believe this to be at all likely. The Fay Report provided an analysis sufficient for the lessons to be learnt. The Crown Agents were put on a new footing at the end of the last Parliament by legislation which we supported both in principle and, largely, in detail. The Treasury carried out a review, with other Departments, to identify any other bodies whose anomalous position might hold similar risks. We have recently (for different but not unrelated reasons) put in hand our own thorough review of quangos of all kinds. I cannot believe (any more than does Counsel to the Tribunal) that if the Tribunal carried its work to a conclusion in 1981 (or even later) we could expect to learn a great deal more, except perhaps where the blame should fall - and even the message on this issue (for what it is worth) is hardly likely to emerge with great clarity at the end of a long and increasingly complex investigation.

It is indeed becoming apparent that the Tribunal's task is far more complicated than I think anyone anticipated when the work was begun. It also promises to be vastly more expensive than we could have expected, in both money and the demands it makes on the time and skills of a lot of people who might be more profitably occupied. I must myself have particular regard to the possibility of saving of the order of £1 million to £2 million on the direct costs of the inquiry (plus more, I am sure, in

The Rt. Hon. William Whitelaw, CH, MC, MP.,



indirect savings which Departments will be able to make if they no longer have to service the Tribunal in various ways). This may not be a great deal to set against the total of public expenditure, but we are committed to the elimination of waste and inefficiency and it would be quite wrong for us to go on spending money on this Tribunal unless we are convinced that it is serving a useful purpose. We cannot with integrity ignore Counsel's view (which Michael Havers has reported to us) that the continuation of the inquiry would be a huge waste of public money and of people's skills. I share this view, and I think moreover that the Tribunal, however unfairly, is certainly tending to bring the entire legal process into disrepute.

I do not under-rate the political and legal difficulties we should have to face if we were to bring this inquiry to a swift conclusion. But I am convinced that this is what we should pay to do.

I am sending copies of this minute to the recipients of yours.

A handwritten signature in black ink, appearing to be "Geoffrey Howe", written in a cursive style.

(GEOFFREY HOWE)

22 JUN 1979

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✓MS

**Civil Service Department**  
Whitehall London SW1A 2AZ  
01-273 4400

20 June 1979

John Chilcot Esq  
Private Secretary  
Home Office  
50 Queen Anne's Gate  
LONDON SW1H 9AT

*Dear John,*

CROWN AGENTS: TRIBUNAL OF ENQUIRY

The Lord President has seen the Home Secretary's minute of 11 June and those of his other colleagues. He shares the widespread view that the Tribunal is a waste of expensive legal talent and public funds.

I am copying this to the Private Secretaries to the Prime Minister, Lord Chancellor, Chancellor of the Exchequer, Chancellor of the Duchy of Lancaster and the Attorney General, and to the Treasury Solicitor and Martin Vile in the Cabinet Office.

*Yours sincerely,  
Jim Buckley.*

J BUCKLEY  
Private Secretary

21 JUN 1979

