

PRIME MINISTER

INDEMNITY OF THE SEQUESTRATORS

The supplementary estimate containing the indemnity has to be sent to the printers on Thursday so Cabinet will be the last opportunity to decide whether to include provision for the indemnity. It may be suggested that as the Receiver may soon get his hands on some funds the deadline could be missed, with the alternative procedure of a Treasury Minute being used if the Receiver is unsuccessful. My advice is that the accounting officers in the Treasury and the Law Officers' Department would regard gambling on the success or otherwise of the Receiver as improper and they would wish to be instructed if this course were followed. In any case, it looks as though securing access to NUM funds will be a protracted business.

I have attached to these papers some Q and A briefing which shows how the decision to provide an indemnity could be defended. The main defence would be that this particular case was of such public interest that the State should provide assistance to private persons to ensure that the law is upheld. You should be aware however that the Treasury are uneasy about the way the Attorney General offered the indemnity as they believe it was possible for the sequestrators or the original plaintiffs to apply for court funds to carry on the work.

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Andrew Turnbull

5 December 1984