

CONFIDENTIAL

AIRCRAFT AND SHIPBUILDING INDUSTRIES BILL: SUMMARY NOTE OF A
MEETING BETWEEN THE PRIME MINISTER AND MRS. THATCHER ON
MONDAY 14 JUNE 1976

The Prime Minister welcomed Mrs. Thatcher and invited her to let him have her views on the proposition which he had put to her in his letter of Friday 11 June, suggesting an informal enquiry by four senior Members of the House into the dispute relating to the Vote on 27 May.

Mrs. Thatcher thanked the Prime Minister for his letter and said that she thought it was right to respond by an informal discussion. She said that as to the events of 27 May what was in dispute was what happened between the First and Second Votes. No doubt the two Chief Whips could be asked to find out, although she thought it doubtful that the full facts would ever be established. But, more important, she doubted whether there was any prospect of senior Members of either Party being prepared to take part in such an examination because they would find sitting in judgment on Members of their own Party very unattractive. Her own view of the situation was that the Opposition were entitled to ask for petitioners to be heard. One way of doing this, in the light of the Speaker's ruling that such petitioners could be heard at the Bar only if the Government itself made time available, would be for the Government to take the initiative and make time available, and for this purpose the Opposition would give up a Supply Day of their own. The other way would be, as indicated in the Motion which she had already put down, to commit the Bill to a Select Committee. She did not think that this need involve an unacceptable delay since her information was that the shortest time taken to complete proceedings by the Examiners for such a Committee was 7 days, and the longest 40 days.

/The Prime Minister

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The Prime Minister said that while he might agree that an informal group of four senior Members, composed as he had suggested, might be reluctant to sign a report critical of their own side, they could nevertheless at least examine the facts and clarify the situation for the two Leaders.

Mrs. Thatcher said that this was not realistic: the group would divide Party-politically. What happened between the First and Second Votes was what was at issue and there evidently had been a failure of communication between the two sides. It was not reasonable in the light of this to ask the group of Privy Counsellors to investigate the matter.

The Prime Minister said that if nothing were done then the Leader of the Opposition could argue that the Government were simply delaying matters in the expectation that their overall majority would shortly be restored. Mrs. Thatcher said that she recognised that this was a perfectly appropriate course for the Government to adopt. Both sides were in difficulty procedurally and her view was that the only acceptable way out must include some procedure under which the petitioners' case could be heard. The Prime Minister said that the Motion put down on the Order Paper proposed the recommittal of the Bill to a Select Committee, presumably for the petitioners to be heard by a Select Committee? Was Mrs. Thatcher proposing, as an alternative, that time might be found in a Supply Day for hearing petitioners at the Bar of the House? Mrs. Thatcher replied that the point of the Supply Day solution was that petitioners would be heard at the Bar of the House, which the Speaker had ruled would be the proper course but one which he could not further because only the Government could provide the time to do it. The Prime Minister then suggested as a further possibility, that the Government should recommit to a Committee of the whole House, for immediate examination, those parts of the Bill which were relevant to the hybridity issue. Mrs. Thatcher commented that this did not seem to provide any mechanism for petitioners themselves to be heard. The Prime Minister then said that under the Motion which had already been tabled by Mrs. Thatcher the procedure seemed to amount, at best, to -

- (a) a period of at least 7 days spent by the Examiners and the Select Committee on hearing the arguments of the petitioners followed by
- (b) a Vote on the hybridity issue, followed by
- (c) a vote on a guillotine motion which was becoming inescapable.

Mrs. Thatcher agreed that the Select Committee solution in the Motion which she had tabled would entail a different procedure from the normal Private Bill procedure, which began with a reference to the Examiners, but she thought that, having regard to the timetable problems, the most orderly way would in fact be to have a Select Committee to enable Counsel to present the petitioners' case to it.

The Prime Minister suggested that, as a first step, at least the two Chief Whips might get together to submit a joint report to the two Leaders. It would not be a public report and it would only be an agreed report to the extent that they felt able to make it so, otherwise they would have to record disagreement.

Mrs. Thatcher agreed that this would have to be a wholly private report to the two Leaders.

The Prime Minister said that he would take note of all that Mrs. Thatcher said, and he went on to draw attention to the problems that would arise after the Government had disposed of the immediate issue on the disputed Vote. The Government recognised that they must offer reasonable time for debate on the Bill, but having regard to the time that had already been lost and was still to be spent this would mean bringing the House back in October. They would need to have a guillotine on the Shipbuilding and Aircraft Industries Bill and he wondered whether the Opposition would press their case against the Education Bill, to the point where it was necessary to have a guillotine on that as well. Mrs. Thatcher said that she thought the Opposition would find it necessary to fight the Education Bill by every means open to them and that there could be no question of a voluntary timetable for that Bill, the Dockworkers Regulation Bill and the National

Health Service Bill. The Finance Bill itself* was much heavier than had been expected and would also be vigorously contested. As regards the Aircraft and Shipbuilding Industries Bill, she would only urge that adequate time should be made available for discussion of the hybridity clauses.

The Prime Minister, summing up, said that -

- (a) they were agreed that the two Chief Whips should be asked to present to the Leader of the Opposition and the Prime Minister, as soon as possible, an account of what took place in the disputed Vote on 27 May. This account should be a joint account but should embody their separate versions of the events where there were differences between them. It should be private to the two Leaders.
- (b) As to thereafter, he found the idea of hearing petitioners at the Bar of the House unattractive procedurally; he would give further thought to the point Mrs. Thatcher had made about the desirability of enabling the petitioners' case to be heard, if need be by recommitting the Bill to a Select Committee, but that too raised considerable problems.
- (c) He and the Leader of the Opposition should meet again when they had the report from the two Chief Whips, and in the meantime should say publicly only that there had been informal contacts between them.

14 June 1976