Ref. A05799

PRIME MINISTER

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We spoke late on the evening of 20th October about the article in The Times for 21st October on Tuesday's Cabinet meeting. You also spoke to the Home Secretary and the Chief Whip. We have all been talking to each other and to the Lord President and Clive Whitmore. This minute records the outcome of this series of conversations.

- 2. Of course none of us knows who talked to the press after the meeting. The reports reaching Bernard Ingham on Tuesday evening suggested that more than one person had been talking. Speculation seems to centre round the names of Prior, Walker and Lawson. But the Home Secretary told me that he did not think the Secretary of State for Northern Ireland had been one of those responsible.
- The first question to which we have all addressed our minds is whether you should do something about it, and if so what.
- All of us think that it would be very difficult to do nothing about such a flagrant disregard of the request which you made, and the Foreign and Commonwealth Secretary supported, at the end of Tuesday's Cabinet.
- 5. We have discussed whether there should be some form of investigation. One possibility would be to mount a political inquiry: the Home Secretary and the Chief Whip might, for example, make inquiries of all members of the Cabinet. All of us very much doubt the wisdom of that. It would almost certainly fail to produce a definite conclusion. The fact that it was going on would certainly leak, and become the subject of adverse press and Parliamentary comment. It would be a gift to the Opposition, with repeated requests for information about the outcome of the inquiry.
- Another possibility would be to mount an official leak investigation. That could consist either of a questionnaire, which all Cabinet Ministers and others present at the meeting would have to fill in, or of an investigation conducted by one of the panel of people which the CSD have for the purpose of conducting such inquiries. On past form the questionnaire would get nowhere.

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The investigation might produce some information which pointed to the possible source or sources, but it would probably not be conclusive; and if it was not we should not be much further forward. It would be a disagreeable business, involving questioning Private Secretaries as well as Ministers about Ministers' contacts. That might give it some deterrent effect for the future. The fact that it was being conducted would certainly leak, though the leak would be less sensational than if Ministers were conducting an inquiry. We all think that the balance of argument is against such an investigation.

- 7. If there is to be no investigation, all you can do immediately is to read the riot act to your colleagues. This course has disadvantages. Presumably it would not prevent a repetition of the offence, and you would have used one more shot from your locker. Presumably the fact that you had done so would leak. But the fact that you had done nothing would also become known. If you are to do anything, this is the least you can do.
- 8. If you do it, we think that you should do it not in terms of the challenge to your authority, but in terms of the challenge to the coherence, authority and and effectiveness of the Government and specifically of the Cabinet. You could do it either orally, at the beginning of the next Cabinet meeting, or in writing in the form of a minute to your Cabinet colleagues. The trouble about an oral warning is that you have already given several: one more may look like a move from weakness. A written warning might of course leak; but I think it could be written in such a way as to minimise the disadvantages of the leak, and indeed to ensure that the effect of the leak would be to put some important truths on the record. I am inclined to think that the time has come for a written warning.
- 9. I attach a draft of the kind of thing I have in mind. It is drafted as a minute to your colleagues, but it could equally well be a note from which you could speak. You could go further than this and add a sentence to the effect that anyone who is not prepared to accept his duty to his colleagues should in all honour resign. But I think that that would be a very risky thing to do, unless you were surer than I think you can be who was responsible.
 - 10. Then there is the question of the longer-term implications.

- 11. If you knew for certain who was responsible you could ask him or them to resign. But you do not know and I doubt whether we can find out for sure.
- 12. The second possibility is another reshuffle, say at Christmas time, which enables you to drop from the Government the Minister or Ministers you suspect of systematic leaking of Cabinet proceedings. In so far as the problem stems from profound disagreements within Cabinet, with those who lose the argument in Cabinet seeking to regain the ground lost at Cabinet by taking the arguments out into the open, that sort of reshuffle would be the traditional way of restoring the coherence of the Cabinet and, with that, a greater degree of confidence and impartiality in its proceedings. The political arguments for and against that sort of reshuffle are your business and not mine; but I can see the difficulties.
- 13. The half-way house is not to ask people to resign but simply to change the composition of Cabinet, so as to exclude suspect leakers from it; or to do the same thing in a different way by keeping the most controversial business out of Cabinet and dealing with it in a smaller group an 'inner Cabinet'. Again, the political implications of that are for you rather than for me to decide, but again I can see all the difficulties of doing it.
- 14. In administrative terms there would be much to be said for cutting back to a Cabinet of 10 or 12 people; but, quite apart from the political implications, I doubt whether it is possible to put the clock back that far.
- 15. On the other hand, if one left the Cabinet as it is in composition but took away from it (and from E) into an 'inner Cabinet' more of the effective decision-making, it would create additional political strains by excluding people who would think they ought to be inside, and would probably damage rather than improve the coherence of the Government as a whole.
- 16. All this points to the rather dismal conclusion that you may not be able to do very much in the longer term.
- 17. In the short term, all of us who have been discussing this think that it is very difficult not to do something. We do not favour an investigation; so we are left with your reading the riot act, either orally or in writing.

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18. I think that we should also try so to conduct the public expenditure exercise which we have just started in such a way as to minimise the amount of the business which has to come to the full Cabinet. You may like to urge the Home Secretary and the Chancellor of the Exchequer privately to make sure that as much of the business as possible is done in the Home Secretary's small group, though I am sorry to say that the existence of that has also leaked.

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ROBERT ARMSTRONG

23rd October, 1981

SECRET

DRAFT

TO MEMBERS OF THE CABINET

At the end of the Cabinet meeting on 20th October I suggested a line for my Press Secretary to take in telling Lobby correspondents about the meeting, and asked that the rest of us, if asked about what happened at the meeting, should not go beyond that. That request was seconded strongly by the Foreign and Commonwealth Secretary, and no-one dissented.

- 2. Yet The Times the following morning had a front-page article with what purported to be a full account of what had happened at the meeting, including references to what particular Ministers had said. The account was distorted and in some respects inaccurate, but the article could clearly not have been written if the writer had not had access, directly or indirectly, to accounts of somebody or some people present at the meeting.
- 3. The impression created outside was lamentable. It was a major factor in the nervousness of the financial markets and the consequent fall of the Financial Times index later in the week.
- 4. These are self-inflicted and unnecessary wounds. The conclusion is inescapable from this and previous similar occurrences that some of us are much too free with the "briefings" about the Cabinet meetings which we give to journalists, whether directly or indirectly through what we tell others who do not keep confidence.

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- Apart from the technical breaches of security, and of collective responsibility that such "briefings" constitute, they are gross breaches of the confidence which ought to subsist between colleagues in a Cabinet. If what is said inside the Cabinet Room is to be systematically disclosed outside it, the time will quickly come when members of Cabinet will not speak their minds freely in Cabinet, but will say nothing, or say only what they want to be publicly reported as having said. The readiness to make some compromise for the sake of reaching agreement The impression will be intensified will be impaired. of a Cabinet divided in itself and in disarray. Cabinet will cease to be a gathering in which major issues of policy can be seriously discussed; they will be considered in smaller groups, and some of those who now participate in decision-making at Cabinet level will be excluded from it.
- 6. We can avoid these dangers if each of us practises the sort of self-discipline in these matters which has usually been taken for granted in members of a Conservative Cabinet. It is simply unacceptable that members of the Cabinet should give detailed accounts of Cabinet proceedings to people outside the Cabinet even to their junior Ministers but above all to journalists. I hope that we can now all agree to preserve our own confidence, to restore our ability to have a frank and open discussion among ourselves without fear of disclosure to the press, and to stop giving our opponents gratuitous ammunition with which to attack us.