

LOBBY BRIEFING

time: 5.30 pm date: 9/1/86

RESIGNATION OF MR HESELTINE

When asked for an indication of the Prime Minister's reaction to Mr Heseltine's statement, we said that the Prime Minister and colleagues had different recollections of events to that which Mr Heseltine had outlined in his statement. We would not be drawn on specifics such as the allegation of the alteration of Cabinet minutes. We could not help concerning the meeting between Mr Brittan and Admiral Lygoe and suggested that the Lobby talk to DTI although, of course, we did not generally comment on confidential meetings.

We corrected the earlier impression that we had given suggesting that 8 or 9 Cabinet Ministers took part in the discussion. In fact we thought the number was more likely to be two-thirds of the Cabinet. Mr Heseltine had clearly felt isolated. We said the Prime Minister did not watch his statement on television: she was at a meeting on something else. We strongly refuted the suggestion that she had been partisan.

The letter she had sent to Sir John Cuckney had been cleared in the normal way and sent to the Department of Trade and Industry for advice since it was the appropriate Department. What Mr Heseltine was obviously saying was that if he had drafted the reply it would have been very different.

We confirmed that the Prime Minister had not actually been speaking at the time of Mr Heseltine's departure.

When asked if we felt these events were unprecedented, we recalled that George Brown had resigned nearly every week and the same sort of Cabinet squabbles occurred then.

We said that if a leak inquiry were to be formally called for this would be considered.

In conclusion we repeated that the Prime Minister had expressed regret and disappointment at these events and considered Mr Heseltine to have resigned on a very narrow point of procedure.

RATES

We drew on the attached guidance. We would not go into any details on the contents of the Green Paper but repeated that the objective remained to phase out rates and seek a practical alteration to a widely discredited system. We were sure the Government knew what it wanted. The objective of the consultation period following the publication of the Green Paper would be to seek views on what the Government wanted. We said it was too early to give any useful steer on when legislation might be on the Statute Books but acknowledged that the pressure on Scotland for swift reform was greater.

CHANNEL FIXED LINK

We said this subject had not been raised in Cabinet and the Transport Secretary would be having more meetings.

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