

PRIME MINISTER

MEETING OF MINISTERS: 13 JANUARY: WESTLAND

The following have been invited: Lord President, Trade and Industry Secretary, Defence Secretary, Chief Secretary, Lord Privy Seal, Chief Whip, Sir Robert Armstrong, Sir Clive Whitmore, DTI official (probably Mr. Michelle) and Mr. Wiggins (Cabinet Office).

There are two points for immediate decision:

- i) Whether there should be a Government statement on Monday? And if so, who should make it?

You will want to get the business managers' views on whether the Speaker is likely to refuse a PNQ or a SO10 in view of the shareholders' meeting on Tuesday if no statement is volunteered; on whether a statement tomorrow will make it more or less likely that the Opposition will press for a debate on Wednesday; and whether the Opposition are likely to put down a Censure Motion for later debate.

If it is agreed that a statement should be made, you will want to consider whether the Trade and Industry Secretary or you should make it. If you do so, there is a better chance of openly rallying backbench support for the Government and dealing authoritatively with Mr. Heseltine's allegations. You are familiar with the details and will carry much more conviction than Mr. Brittan. Against this you do not want to appear on the defensive and in the dock to answer Mr. Heseltine's charges; and Mr. Brittan is the departmental Minister responsible. (You also have a lunch to host.)

The meeting should also consider the draft statement being prepared by the DTI.



ii) The second immediate point is how the Government should reply to Sir John Cuckney's letter about the National Armaments Directors recommendation (copy to follow). The choice is either

a) to stick exactly to the words of Mr. Brittan's statement of 16 December ("the Government are not bound by the recommendation");

b) or whether to go further and add publicly the phrase that the Government is not bound by it now or in any hypothetical circumstances in the future. While the latter is undoubtedly true the Government has not yet said it publicly. The DTI would like it on the record, because they believe that supporters of the European consortium are saying that the Government will adopt the recommendation if the European proposals are accepted. Against this, it is hard to envisage that anything which the Government says now will affect the outcome of Tuesday's meeting. And a disadvantage is that Mr. Heseltine will undoubtedly pick up the phrase and portray it as a change in the Government's position intended to bolster the Sikorsky bid. This will extend rather than limit controversy.

Beyond this, you will wish to consider the handling of any debate on Wednesday or subsequently, in particular:

a) if the debate is on the issue of Westland alone, whether you should speak or leave it to Mr. Brittan;

b) to what extent it would be appropriate in such a debate to deal with Mr. Heseltine's detailed allegations, bearing in mind that he will undoubtedly challenge whatever the Government says in his subsequent intervention.

(C.D. Powell)

12 January 1986