

*lg beault*DRAFT STATEMENT

With permission, Mr Speaker, I should like to make a statement.

2. As the House knows, my Right Hon and learned Friend the Solicitor General wrote to my Right Hon Friend the Secretary of State for Defence on 6 January, to draw his attention to a sentence in a letter which he had sent to Lloyds Merchant Bank on 3 January, and which became public knowledge that day. My Right Hon and learned Friend said that, in his opinion, and on the basis of the information available to him, the sentence in question contained material inaccuracies, and he advised the Secretary of State to write again to Mr Horne correcting the inaccuracies.

Not so early

3. Later that day the existence and part of the contents of my Right Hon and learned Friend's letter became known to the press. I decided with the agreement of my Right Hon and learned Friend the Attorney General, that there should be an inquiry by the Head of the Civil Service into the circumstances in which this happened. In order that there should be no impediment to co-operation in that inquiry, my Right Hon and learned Friend the Attorney General agreed that the Head of the Civil Service should tell one of the officials concerned, whose testimony would be vital to the inquiry, that, he had my Right Hon and learned Friend's authority to say that, provided that he received full co-operation in his inquiry, the official concerned would not be prosecuted in respect of anything said during the course of the inquiry.

4. A copy of My Right Hon and learned Friend the Solicitor General's letter reached the Department of Trade and Industry late in the morning of 6 January. The Department took the view that, since the Chairman of Westland plc was due to give a press conference at 4.00 pm that afternoon, to which the contents of

the Secretary of State for Defence's letter of 3 January had some relevance: if that letter contained material inaccuracies, it was important that that should be publicly known before the press conference.

5. For these reasons, my Right Hon and learned Friend agreed that the press should be informed as soon as possible of the fact that my Right Hon and learned Friend the Solicitor General had written to my Right Hon Friend the Secretary of State for Defence, and of the advice which he had given. He asked his officials to discuss with my office whether the disclosure should be made from 10 Downing Street, but made it clear that he authorised the disclosure to be made from his office if it was not made from 10 Downing Street.

6. My office was accordingly approached. The report makes it clear that I was not consulted and my agreement to the proposed disclosure was not sought. My office made it clear that the disclosure would not be made ^{from} for 10 Downing Street.

Nonetheless, the report finds, in the light of the evidence to the conversations that took place between my office and the Department of Trade and Industry, that the Department acted in good faith in the belief that there was no objection from my office - and therefore implicitly from me - to their proceeding on the basis of the authority given by their Secretary of State. An official of the Department accordingly told a representative of the Press Association unattributably of my Right Hon and learned Friend the Solicitor General's letter and what it said. No documents were passed.

7. Mr Speaker, as I told the House on 19 December, it was the policy of the Government, agreed by the Cabinet, that it should be left to the Westland company to decide what course it was best to follow in the interests of the company and its employees. That being so, there were in my view good reasons of public policy why it was important that it should be made known

publicly that there were thought to be inaccuracies in my Right Hon Friend the Member of Henley's letter of 3 January, which it had itself been made public. My Right Hon and learned Friend the Secretary of State for Trade and Industry was in my view entirely justified in his view that this fact should become a matter of public knowledge, if possible before Sir John Cuckney's press conference at 4.00 pm that day. If what my office said to the Department of Trade and Industry was based on the belief that I should have taken that view, had I been consulted, they were entirely right.

If the had allowed,
 8. ~~But I should certainly have said~~ that some other way should be found of making the fact a matter of public knowledge without disclosing the existence and the contents of my Right Hon and learned Friend the Solicitor General's letter. It is clearly important that the Law Officers should be able to rely on the principle that their advice to Departments is given in confidence, as between lawyer and client, and will not be publicly disclosed.)

9. I agree with the view of the Head of the Civil Service that no-one acted culpably and irresponsibly in this matter. If there was an error of judgment in the reference to my Rt Hon and learned Friend's letter, some allowance must be made for the speed with which the decision had to be taken. If something was to be done, it had to be done before 4.00 pm, and that was less than three hours away at the time when my Right Hon and learned Friend the Secretary of State for Trade and Industry was asked to take his decision.

10. Perhaps I could add that my Right Hon Friend would have been less than human if he had not had also in his mind the extent to which My Rt Hon Friend the then Secretary of State for Defence was seen to be actively promoting the interests of the European consortium, and implicitly damaging the interests of the United Technologies/Fiat consortium, at a time when he was