PRIME MINISTER 24 January 1986

THE EMERGENCY DEBATE

27 JANUARY 1986

In Monday's debate, you need to:

i. Start by rebutting, head-on, all the allegations against you. In effect, this will be the fourth debate on the subject, and we cannot afford to leave any further loose ends.

ii. Show that the charges of incompetence in the affair are the direct result of the flouting of Cabinet responsibility by Michael Heseltine.

iii. Announce maximum disclosure of the documents.

iv. Launch a counter-attack which must centre on Michael Heseltine's mischievous and persistent abuse of Cabinet responsibility.

Rebut Key Charges

To rebut the charges, you need to state at least:

a. When did you know that alleged cover had been given by your Private Office to the Secretary of State for

Trade and Industry's Office to reveal the Solicitor-General's letter?

b. What advice did you receive from your Office at the time you set up the leak inquiry?

c. When were you informed of the leak, and what was your response?

"Incompetence" and Cabinet Responsibility

To answer the charges above, you will have to admit to misunderstandings by officials over alleged cover for the leaking of the letter. As a result, you lay the Government open to the charge of incompetence. This is inevitable, and far better than the alternative, which is for an unremitting attack by David Owen and others that you are guilty of a "cover-up".

It is important to show that each incident which may be labelled "incompetent" (the need for Brittan to talk to Lygo and the BAe letter; the need to disclose material inaccuracies; Heseltine's excessive campaigning for the European solution; the way the leak was done under pressure) stem from unprecedented breaches of Cabinet responsibility by Heseltine.

Disclosure

You have everything to gain from the maximum disclosure of documents in this case. You need to argue that you are taking this exceptional step to show that you have nothing to hide.

We have read through the Westlands papers today, though we have not had access to every item on the file.

You will clearly need to see for yourself any papers that it has not been possible for us to see. But, with that proviso, we conclude that:

1. there is nothing substantive that undermines the Government's case, but much is exceedingly damaging to MH;

2. you will not be able to publish openly the full text of some papers for diplomatic reasons (eg reports of developments in Zambia, India or with EEC partners);

3. other papers could be regarded as strictly personal (eg messages from individual MPs);

4. others yet involve either commercial confidentiality or matters relating to national security.

For these reasons, we recommend that the files should be shown to a Committee of Privy Councillors, on the analogy of the

Franks Committee following the Falklands, rather than being published. Such wholesale disclosure to impartial people would carry far more weight than partial, selective publication -- which would only be represented as "a further cover-up".

There is, however, one point that needs to be cleared up instantly. The file contains a brief from Brian Unwin for an E(A) meeting. The brief is dated 11 December. On the face of it, this could be taken to suggest that it is intended for the mythical E(A) meeting of 13 December. Internal evidence makes clear that it is, in fact, misdated and refers to the meeting of 9 December. But Brian Unwin's records will need to be checked; and it will need to be established beyond the least shadow of doubt that it was received and read by you on or before the 9th, not on or after the 11th.

Counter-Attack

The counter-attack must be vigorous and cannot but be centred on the appalling decline in standards of Cabinet responsibility. We have provided CDP with a draft speech on these lines.

pp. David Willetts pp.

BRIAN GRIFFITHS PETER WARRY DAVID WILLETTS OLIVER LETWIN