

PROFESSOR GRIFFITHS
cc Mr. Wicks

TIMES DIARY : ITEM ON THE OSPREY CASE

I must bear the blame for the appearance of this piece, which would not have appeared if I had done nothing to follow up information which indicated that the MoD might become implicated in the case of Osprey Ltd. v. British Shipbuilders.

However, if I had done nothing the entire matter would have come out in public, in the most damaging way, during the court case itself, which has been set down for trial on 12 January 1987.

I thought it right, therefore, to make enquiries and, if necessary, to report the matter to the Prime Minister. It is possible that the Times Diary, which has published a great deal on the case in the past, has picked up from these enquiries the fact that Downing Street has been asking questions and has constructed its rather inaccurate story as a result.

It is a miserable coincidence that the piece should have appeared the morning after our warning went in.

You have asked whom I have spoken to about this outside No. 10 in the past few days. I have told you that I gave dinner to Mr. Giles, the designer of the Osprey, and to a mutual friend who brought with him Capt. Guy Liardet, the Navy's Director of Public Relations, and John Ledlie, the joint Services' Chief of Public Relations.

The purpose of the dinner was to establish friendly communication between those present and, if possible, to get information. I did not, of course, make any mention of our note to the PM, nor of the advice we took before putting it in. And it is not possible that the story in the Times Diary could have been based on the dinner, since we were all there until almost midnight and the Times went to bed before us.

There are three items of information which emerged from that dinner. All are important. First, the MoD were very anxious, without any prompting, to put across how difficult it would be to establish who actually paid for the very expensive programme of unlawful tests on the Osprey designs which British Shipbuilders have admitted carrying out.

Secondly, Mr. Giles told the MoD representatives that he has now decided to amend the pleadings to ask for exemplary damages, one of the grounds being MoD's prior knowledge of the unlawful tests and their subsequent receipt of results from those tests.

Thirdly, Mr. Giles indicated to me that evidence existed showing that MoD, through the Controller's budget and via Bath, paid a substantial part of the considerable cost of the 2,900 tests which were done on the standard methodical series of six 16ft

models by British shipbuilders. I shall not, in the circumstances, be able to verify this information.

The question whether I have passed any information about MoD's involvement in the matter to Mr. Giles has been raised. The answer is no. I first became aware of MoD's possible involvement when Mr. Giles copied to me a letter he had written to John Fieldhouse, who in turn copied to me his letter of reply, in which he said he had denied any MoD connection. I copied to John Fieldhouse the note from Dick Garwin on hydrodynamic lift and the rest of the story is known to you from the dossier. Mr. Giles' decision to involve the MoD in the case arises solely from his own evidence, much of it documents obtained on discovery from British Shipbuilders by order of the court, none of which I have seen.

I suppose I had also better make it clear that I have no financial or other commercial interest in this matter. I have, of course, had several discussions with Mr. Giles as part of my inquiry into this possible banana-skin, but my contact with him has been confined to the matter in hand and will now, of course, cease.

You have asked for an assurance that I shall make no further inquiries into this matter. I am very happy to do this. From the point when it became clear to me that something was seriously amiss and that the Government might become implicated, my sole aim has been to check the facts and then to give the necessary warning. The warning has been given. There the matter ends.

The remaining question, which is not one for me, is whether the new hull designs would be of advantage to the Navy. The Hill-Norton Committee will report on this in due course. I should like to see the answers which Bath give to the questions which Nick Owen and I sent after our meeting with them earlier this month. But the briefing on that aspect, which can wait until Hill-Norton reports, will be a matter for Nick and not for me. I shall be happy to advise him on the technical points, insofar as I understand them.

Finally, I should like to put on record how sorry I am that you should have been put into a difficult position, so early in your time here, as a result of the enquiries I have been making. I did my best to be careful, but the matter was complicated (as you can see from the file) and I had to talk to a number of people, any one of whom might have let slip, in the presence of a journalist, the involvement of Downing Street. It was a necessary risk, but I am deeply sorry for any hurt or difficulty which the unfortunate consequences may have caused you.



CHRISTOPHER MONCKTON

27 November, 1985.

F-Short fat
ships

TIMES DIARY : ITEM ON THE OSPREY CASE : 27 NOVEMBER 1985

The Times has mentioned before that the Policy Unit has taken an interest in the Osprey designs, so news of our involvement is not new. The suggestion that the Prime Minister is so alarmed by the Osprey case that she has set up a special investigation team in the Policy Unit is untrue.

The only new facts in the piece are the length and date of the trial, which has been set down for hearing by Mr. Justice Whitford in the High Court on 12 January, 1987. At the request of the defendants, British Shipbuilders and others, 45 days have been set aside for the trial.

The following commentary shows where the Times piece came from:

COLLISION COURSE

Tories, beware. Only months before the expected general election date, a naval copyright case involving senior figures in Mrs. Thatcher's government opens for an embarrassing 45-day trial in January 1987.

Mrs. Thatcher is said to be so alarmed by the case - which naval circles believe will make Clive Ponting's trial look "like a vicar's tea party" -

that she has formed a special investigation team in her Downing Street policy unit.

As I reported earlier this year, the plaintiff company, Osprey Ltd., believes the nationalised British Shipbuilders may have used plans of an "Osprey" patrol vessel to assist in the design of the Royal Navy's new patrol craft, HMS Peacock. It is understood that certain documents Osprey wishes to use against BS will reveal a major scandal behind the selection procedure and procurement of ships for the Navy.

COMMENTARY

The date of the Osprey trial has been a matter of public since the case was set down for trial, which was done last month.

She isn't.

* All words in bold type are a word-for-word lift from the Times Diary dated 27 January 1985.

She hasn't. The Times first mentioned our interest on June 10. There is no special team.

The Times Diary has run a steady stream of reports on this issue: 27, 29 and 30 January and 4 February 1985. There was also a strongly-worded and forthright leader on February 5, criticising the Speaker for ruling the Osprey case sub judice even before it had been set down for trial. The Government has been refused leave to have the trial heard in camera.



**THE TIMES
DIARY**

**Collision
course**

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All together...

On the night before the Anglo-Irish deal was announced, Mrs Thatcher called Neil Kinnock, David Owen and David Steel to Downing Street to apprise them of it - the first time she has taken such action since the Falklands crisis. A measure of how important she considers the deal? Or of how much she was counting on opposition support to get it through Parliament?

Notch this space

The 14 Unionist MPs who are resigning their seats in protest at the Anglo-Irish deal will pay heavily for their action, even if re-elected. They will lose their cherished rooms at the House of Commons. News of their decision has already triggered a stampede among disgruntled MPs forced to share cramped offices with colleagues. Heading the pack is Stuart Bell, Labour spokesman on - ironically - Northern Ireland, who has made it clear to his whips that come what may, he plans to "squat" in the office of Unionist leader James Molyneux.

Why we must sur

by Norman Podh

Not much notice was taken last week when Lon Nol died his second death - the real, physical one. On the other hand, a great deal of attention was paid 10 years ago when he died his first death - the political one, the one that resulted in the transformation of the country then known as Cambodia, of which he was the last prime minister, into the charnel house called the Democratic Republic of Kampuchea.

Two weeks before that first, political death - made inevitable by a complete cut-off of American military aid - Lon Nol predicted that if the communist Khmer Rouge guerrillas under Pol Pot came to power, "they would kill all the educated people - the teachers, the artists, the intellectuals - and that would be a step toward barbarism".

The *New York Times*, speaking for the conventional wisdom of that moment, disagreed. No sooner had Lon Nol and his remaining American supporters fled Phnom Penh before the advancing enemy than it commemorated the event with a story under the headline: "Indochina without Americans: for most a better life."

Lon Nol turned out to be the better prophet, although not even he foresaw how gigantic "a step toward barbarism" his poor country was about to take. Not only did the Khmer Rouge communists kill all the educated people; in the process of making their revolution they killed somewhere between a third and half of the entire population.

When he was still prime minister of Cambodia, Lon Nol had been described by

everyone as corrupt and ineffectual. I doubt everyone was right. Today, later, much the same is said of the Philippines under President Marcos. Like Lon Nol, Marcos is accused - with at least equal justice - of tyranny, mismanagement and although on an even larger scale.

Confronted with this situation, the Reagan administration is doing better than Kennedy, Johnson, and Nixon. The United States is trying to put pressure on the ineffective leaders of Vietnam to institute reforms that it hopes will undercut domestic support for communist guerrillas.

And who exactly are they? The most detailed answer to that question published is an article in the *Commentary* by Ross Munro, covering the Philippines since 1946. The article runs to 100 pages but its thesis is summed up in only to four: "The new Khmer

According to Munro, the 20,000-strong and growing Khmer Rouge is conducting a "reign of terror" in the countryside "rivalling the Khmer Rouge savagery if not yet in scale". The article finds tortures and kills indiscriminate, the slightest pretext just to do so. The power and cold-bloodedness of the Khmer Rouge in the ideologi

Graham Mather contrasts two La

**Will
Kinnock
buy this
planning
tangle?**

Labour's shadow employment spokesman, John Prescott, has recently issued a comprehensive document, *Planning for Full Employment*. It fills in many gaps about

