

PRIME MINISTER

1. If, as we expect, Norman Tebbit does resign tomorrow, whether or not he has a letter he sends to you, I believe you should have a letter ready to send to him and to publish. A letter is attached, which I have shown to Nigel Wicks who likes it, for you to sign. (I have made sure it dovetails with, but does not repeat, your letter to Norman when he resigned from the Cabinet in June.)

2. If Norman does resign and you do not wish to make any announcement tomorrow about a new Chairman, then a statement should go out from Central Office announcing his resignation, saying that a new Chairman will be announced in due course and that meanwhile Peter Morrison will be responsible for the day to day control of Central Office. Your letter to Norman will be published with the press statement from Smith Square. I have talked to Bernard Ingham who believes this is the right way to handle it.

S.S.

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STEPHEN SHERBOURNE

29.10.87