CONFIDENTIAL (MINISTRY OF DEFENCE MAIN BUILDING WHITEHALL LONDON SW1 Telephone 01-930 7022 10th July 1987 MO 23/1E Dea Nigel. LIEUTENANT SETHIA: PRODUCTION OF DIARY The Defence Secretary thought it would be helpful before next week's OD(DIS) meeting to bring the Prime Minister and other colleagues up to date with developments in relation to Lieutenant Sethia's diary. I reported in my letter of 18th June that Mr Younger had authorised the Treasury Solicitor to offer partial disclosure to the litigants on the basis of releasing all personal, as opposed to operational, passages from the diary. Such an offer was made at a 'without prejudice' meeting of legal representatives held on 24th June. This did not, however, satisfy the Observer's representative who claimed that they needed to have access also to operational material, and to copies of signals interleaved with the diary. Before this meeting, the Observer's solicitors had issued a summons, returnable on 29th June, requiring the Defence Secretary to swear affidavits identifying the passages he was not prepared to disclose and giving his reasons in each case and to be available for cross examination. When our offer was rejected, and the summons was not withdrawn, we formalised our offer in writing, on the Treasury Solicitor's advice, in order to present out position in the best light at the hearing on 29th June. In the event, the Observer's case was judged to be 'misconceived and premature' and was dismissed with costs. Revised Public Interest Immunity certificates, reflecting our position on partial disclosure, have now been signed by the Defence Secretary. Their validity will be tested in court next week (starting on 15th July) when the newspapers' applications for the production of the diary are to be heard. Nigel Wicks Esq 10 Downing Street CONFIDENTIAL

CONFIDENTIAL I am sending copies of this letter to the Private Secretaries to the Foreign and Commonwealth Secretary, the Home Secretary and the Attorney General and to Sir Robert Armstrong and Sir John Bailey. Tes sienty. June (thre. (J F HOWE) Private Secretary