



DG

10 DOWNING STREET

From the Private Secretary

2 March 1984

Dear Michael,

EUROPEAN COMMISSION ON HUMAN RIGHTS: FARRELL v. THE U. K.

In my letter of 27 February I explained that the Prime Minister agreed generally with the proposals that Mr. Heseltine planned to put to the European Commission but wanted to see further legal advice on the size of our opening offer.

Mrs. Thatcher has since seen the Attorney General's letter of 28 February. She is now inclined to accept Sir Michael Havers' view that our opening offer should be £15,000.

I am sending copies of this letter to Roger Bone (Foreign and Commonwealth Office), John Lyon (Northern Ireland Office), Henry Steel (Law Officers' Department) and Hugh Taylor (Home Office).

*You are
LH Cole.*

Richard Mottram, Esq.,
Ministry of Defence.

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28 February 1984

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Ministry of Defence
Main Building
Whitehall
LONDON S W 1

Prime Minister

contact?

RR 29/2

Yes no

Dear Michael.

EUROPEAN COMMISSION OF HUMAN RIGHTS : FARRELL

Thank you for sending me a copy of your letter to Jim Prior of 22 February. I have now also seen the letter of 27 February from the Prime Minister's Private Secretary to yours.

I agree with your analysis of the situation and with the tactics which you propose. As regards the amount to be offered, I do see some force in the Prime Minister's hesitation about our initial offer. Nevertheless, my considered view is that you are right to suggest that we should keep our opening offer down to £15,000 but should be prepared to be pushed up to a maximum of £25,000 in the course of negotiations if the applicant and her advisers show any genuine interest in settlement. From what I know of this case, I have to say that I doubt very much whether the other side have any intention of settling except on terms which would involve our explicit or implicit admission of full liability. (There may be a difference of attitude between the applicant herself and her lawyers, but I think that it is going to be difficult for us to exploit this though we shall be alert for opportunities to do so.) If I am wrong, and they can be tempted to enter into genuine negotiations, I think that an initial offer of £15,000 is just as likely to tempt them as an offer of £20,000. On the other hand, an initial offer of £20,000

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would leave us very little negotiating room before we hit our ceiling of £25,000 and I really do think that it would be dangerous to go much above that if we wish to present the settlement as made purely on compassionate grounds with no implicit acceptance of liability. So far as concerns the impact of our opening offer on the Commission, I do not think that they would be unfavourably impressed by an offer of £15,000. The question of the impact on the public should not arise since these "friendly settlement" negotiations are kept confidential whether or not they succeed. But even if they were leaked, I would not expect the public to regard an initial offer of £15,000 as derisory or to attach much significance to the difference between that and an offer of £20,000.

For all these reasons, therefore, I myself would endorse your proposals in their entirety.

I am copying this letter to the other recipients of yours.

Yours ever,
Michael

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Ireland Nov 29 Farrell

29 FEB 1984



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SECRETARY OF STATE
FOR
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Main Building
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N.B.P.D.

A.J.C. $\frac{8}{3}$

8 March 1984

EUROPEAN COMMISSION ON HUMAN RIGHTS : FARRELL VERSUS THE UK

Thank you for your letter of 22 February. I have also seen the letters of 27 February and 2 March from the Prime Minister's Private Secretary to yours, Michael Havers' letter of 28 February and Geoffrey Howe's of 2 March.

I agree that the course we decided on last June remains the best one to pursue and that the response you now propose to make to the Commission is the correct one.

Although, as your officials will be aware, my officials have been trying to refine the best estimate of the damages Mrs Farrell might have received in a successful domestic action for damages they have not been able to improve on the original estimate of £30,000 to £40,000. For the reasons set out in Michael Havers' letter, I therefore support your proposal to incorporate an offer of £15,000 in our response to the Commission.

Copies of this letter go to the recipients of yours.

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IRELAND : Farrell : NOV 79



8 MAR 1984