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MR POWELL  
No 10 Downing Street.

cc Mr Stark  
PS/Sir Clive Whitmore, MOD  
Mr M J Michell, DTI  
Mr M L Saunders, Law Officers' Department.  
Mr Flesher, No 10

WESTLAND

I attach answers to the list of questions you circulated today, which have been broadly agreed by the copy recipients other than Sir Clive Whitmore. I should particularly note

(1) the Law Officers positively favour the publication of the Solicitor-General's further exchange of letters with Mr Heseltine. The very strongly expressed concern of the Law Officers, in the penultimate paragraph, about the need to protect the confidentiality of their advice, will have been a factor in the Prime Minister's decision to accept their advice, and that of Sir Robert Armstrong, to institute an independent inquiry.

(2) Mr Heseltine challenged the Government to repudiate his letter of 3 January. This has never been done in explicit terms because of the risk of the Government's becoming further involved in the commercial decisions relating to the company's financial reconstruction. But it was repudiated by implication in Sir Clive Whitmore's letter of 13 January to Sir John Cuckney, where it was stated clearly that the Government's position was as stated by Mr Brittan on 16 December and in the Prime Minister's letter to the company of 1 January, and that the Government had nothing to add. Sir Clive Whitmore's

Prime Minister

Attached (in date order) is a complete Westlands dossier. The more recent material is at the end. This is a set of answers to the main questions asked during the statement. You will wish to have a word with Nigel about the answer to Question 4

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letter further made clear - contrary to the previous assertions of his Department (e.g. in Mr Marsh's letter of 24 December) - that the order for 6 extra Sea Kings would be placed if the plans for the 5-nation battlefield helicopter project were approved, whatever reconstruction proposals Westland's shareholders accepted. I have asked Sir Clive Whitmore to seek Sir John Cuckney's agreement to the publication of this letter.

JW

A J WIGGINS  
Cabinet Office.  
24 January, 1986

Attachment:

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PARLIAMENTARY QUESTIONS

1. Why was the Prime Minister not consulted before her Office agreed to disclosure of the Solicitor-General's letter?

ANSWER: As I made clear in my statement, they did not seek my agreement: they considered - and they were right - that I should agree with my Rt Hon Friend the Secretary of State for Trade and Industry that the fact that the then Defence Secretary's letter of 3 January was thought by the Solicitor-General to contain material inaccuracies which needed to be corrected should become public knowledge as soon as possible, and before Sir John Cuckney's press conference.

2. Where was the Prime Minister on that day and what was she doing?

ANSWER: [I was at a private meeting in 10 Downing Street.]

3. When was the Prime Minister informed of the leak?

ANSWER: [When it was reported by the media the following morning.]

4. When was the Prime Minister informed of her Office's involvement?

ANSWER: I was told by my Principal Private Secretary on 7 January that the disclosure of the Solicitor-General's letter had not been made from 10 Downing Street but that there had been contacts in advance about the matter between my Office and the Department of Trade and Industry. I was also informed at that time of the very great concern felt by the Law Officers about the disclosure of their advice. I was advised that because my own Office was involved, it would be best to hold an inquiry into the matter. This was also the advice of the Law Officers and the Cabinet Secretary,

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though because of other developments during that week, such an inquiry was not formally decided until [14] January. But once it was clear there was going to be an inquiry, at which members of my own Office would have to be questioned, it was clearly important for me not to seek a separate account of what had happened. Thus the full facts became known to me only when I received the report of the inquiry on 22 January.

5. Why did the Prime Minister not inform the House as soon as she knew of her Office's involvement?

ANSWER: Because that would have prejudiced the enquiry.

6. Will she tell the House the exact extent of her Office's involvement?

ANSWER: I have already given the House a full account in the statement I made on 23 January.

7. Will she release the report of the Enquiry?

ANSWER: No

8. Why did the Trade and Industry Secretary not tell the House last week that he had authorised the disclosure?

ANSWER: Because the possible need for an enquiry was under active consideration on 13 January, when he made his statements, and had already been announced on 14 January, before he answered the debate on 15 January.

9. Why was an enquiry held when everyone knew what had happened anyway?

ANSWER: I did not know the full circumstances, as I have repeatedly explained. In view of the concern of the Law Officers at the manner of the disclosure of the



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Solicitor-General's letter of 6 January, I attached very strong weight to the advice I received from them, as well as from the Secretary of the Cabinet, that there should be an independent inquiry.

10. Why was an attempt made through a leak to subvert another member of the Government?

ANSWER: The objective was not to subvert any individual but to get relevant facts onto the record.

11. Why was the Solicitor-General not told of the intention to make public the fact of his letter and its conclusions?

ANSWER: As I said on 23 January, I deeply regret that the Solicitor-General was not consulted before the material in his letter was disclosed.

12. Why did the Government not make a statement instead?

ANSWER: It was clear to all concerned that in the circumstances it was not possible to proceed by way on an agreed statement.

13. Why was more urgent action not taken to correct the inaccuracies in the Defence Secretary's letter, which was issued on 3 January?

ANSWER: The then Defence Secretary's letter was not seen by the Department of Trade and Industry until Friday afternoon, 3 January. The Solicitor-General's letter was written on Monday morning, 6 January, as soon as he was able to consult the relevant documents.

14. Why has the Government not offered any correction or amendment to Mr Heseltine's letter?

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ANSWER: As soon as the new Defence Secretary had taken up his position, the Government's position was reaffirmed in my Rt Hon Friend the Secretary of State for Trade and Industry's statement on 13 January. On the same day the Permanent Under Secretary at the Ministry of Defence wrote to Sir John Cuckney to make clear that the Government's position remained as set out in my Rt Hon Friend's statement of 16 December and in my letter to Sir John of 1 January, and that there was nothing to add to that. A copy of that letter has, with the agreement of Sir John Cuckney, been placed in the Library of the House. Meanwhile my Hon Friend the Minister of State for Defence Procurement made clear in an answer given the same day to the Hon. Member for Yeovil that the order for six additional Sea King helicopters would be placed if the plans for a five-nation battlefield helicopter project were approved, whatever reconstruction proposals Westland's shareholders accepted (Hansard Col 535).

15. Why does the Government not publish the text of Mr Heseltine's reply to the Solicitor-General?

ANSWER: My Rt Hon Friend the member for Henley asked on 23 January that his reply to my Hon Friend the Solicitor-General's letter of 6 January should be published. The texts of that letter, and of the Solicitor-General's further reply have been placed in the Library of the House.