

PRIME MINISTER

HIGHER ORGANISATION OF DEFENCE: MEETING WITH SECRETARY
OF STATE AND SIR CLIVE WHITMORE AT 1230 ON 3 JULY

I had a talk with Sir Clive Whitmore this afternoon to try to establish his view of the situation.

It is largely a political problem. Clive thinks that it would be quite something for you to override the joint view of the Chiefs of Staff. On the other hand, the compromise which the Chiefs of Staff have put forward would emasculate the reorganisation.

Clive says that the question is whether Mr Heseltine is prepared to try to do a deal with the Chiefs of Staff which would improve on the compromise they have so far put forward. Mr Heseltine has not committed himself on this yet, until he sees whether you would want simply to override the Chiefs of Staff.

So the choice seems to be between three courses:

- a) Pressing on regardless;
- b) accepting the Chiefs of Staff's compromise, which would effectively mean surrender; or
- c) seeking to do some deal mid-way between the two.

F.R.B.

2 July 1984