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01-936-6269

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

7 January 1986

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

For Michael,

WESTLAND

Thank you for your letter of 6 January.

I am glad to learn that you are confident that the relevant sentence in your letter to Lloyds Merchant Bank of 3 January is wholly sustainable, by virtue in particular of evidence (including numerous conversations with your European Defence Minister colleagues) which is additional to the documents which you supplied ^{to} me on 3 January.

I emphasised in my letter to you of 6 January that it was on the basis alone of the documents which you supplied to me on 3 January that I had formed my opinion, and that those were all that I had seen. Those documents were not sufficient to sustain the relevant sentence in your letter to Lloyds Merchant Bank, a fact which is now common ground between us.

I have made clear (what I know you accept) that it is an essential requirement that anything said on the Westlands subject by a Minister in present circumstances must be accurate in all material respects, because it will foreseeably be relied on by shareholders, with potential legal consequences for the Government.

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The additional evidential material on which you rely, and in particular the conversations with your European colleagues to which you have referred, is identified to me in your letter in terms too general for me to be able personally to assess whether the accuracy test is fulfilled. I quite understand why this may be unavoidable, particularly in the case of the conversations with your European colleagues, but it means that the judgment as to whether that test is satisfied must remain your own responsibility.

On a different aspect of this matter, I want to express my dismay that a letter containing confidential legal advice from a Law Officer to one of his colleagues should have been leaked, and apparently leaked moreover in a highly selective way. Quite apart from the breach of confidentiality that is involved, the rule is very clearly established that even the fact that the Law Officers have tendered advice in a particular case may not be disclosed without their consent, let alone the content of such advice. It is plain that in this instance this important rule was immediately and flagrantly violated.

I am copying this letter to the Prime Minister and to the Secretary of State for Foreign and Commonwealth Affairs, Secretary of State for Trade and Industry, Chief Secretary to the Treasury and Sir Robert Armstrong.

Lawson

Atkin

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