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TO IMMEDIATE UKDEL CANCUN
TELEGRAM NUMBER 66 OF 22 OCTOBER 1981

FOLLOWING FOR PATTISON, PRIME MINISTER'S PARTY, FROM RICKETT,
10 DOWNING STREET.

MR HESELTINE MADE A STATEMENT THIS AFTERNOON ABOUT THE HIGH COURT JUDGEMENT GIVEN YESTERDAY ON HIS DECISIONS LAST JANUARY TO ABATE THE RATE SUPPORT GRANT PAYABLE TO EIGHT LONDON BOROUGHS.

MR HESELTINE BRIEFLY SET OUT THE HISTORY OF THE CASE, AND DESCRIBED IN OUTLINE THE COURT'S DECISIONS. ALTHOUGH THE COURT HAD RULED THAT THE ABATEMENT ORDER WAS NOT ULTRA VIRES, AND THAT MR HESELTINE'S POLICY WAS NOT UNREASONABLE, THEY DID RULE THAT HE HAD FAILED TO LISTEN TO REPRESENTATIONS MADE BY THE AUTHORITIES CONCERNED, AND THAT HE HAD THEREFORE NOT VALIDLY EXERCISED HIS DISCRETION. IN OTHER WORDS, HE HAD ACTED UNLAWFULLY, BUT ONLY FROM A PROCEDURAL POINT OF VIEW.

MR HESELTINE POINTED OUT THAT THE COURT HAD MADE IT QUITE CLEAR THAT HE COULD NOW CONSIDER THE AUTHORITIES' REPRESENTATIONS PROPERLY AND REACH ANY DECISION HE CONSIDERED RIGHT. MR HESELTINE ENDED BY SAYING THAT THE JUDGEMENT WAS 100 PAGES LONG, AND THAT THE GOVERNMENT WOULD HAVE TO STUDY IT CAREFULLY BEFORE DECIDING ON ITS RESPONSE. THERE WAS NO HINT OF APOLOGY IN ANYTHING THAT MR HESELTINE SAID.

GARALD KAUFMAN LED FOR THE OPPOSITION. HE SAID THAT MR HESELTINE'S STATEMENT WAS CHARACTERISTICALLY UNGRACIOUS AND SHIFTY. MR HESELTINE HAD ACTED LIKE A COMMISSAR, AND HAD HIGH-HANDEDLY PLACED CONVENIENCE BEFORE JUSTICE. THE OPPOSITION HAD HOPED THAT HE WOULD AT LEAST HAVE THE DECENCY TO APOLOGISE. HE CALLED ON MR HESELTINE TO REMOVE THE SHACKLES HE WAS PLACING ON LOCAL DEMOCRACY, AND PAID A TRIBUTE TO THE COUNCILS FOR BRINGING THE COURT CASE. MR HESELTINE REPLIED THAT MR KAUFMAN'S INTEMPERATE OUTBURST CONFIRMED HIM IN HIS DECISION TO TAKE THE TIME TO MAKE A CALM AND CONSIDERED RESPONSE TO THE COURT'S JUDGEMENT. HE WOULD PLACE A COPY OF THE JUDGEMENT IN THE LIBRARY OF THE HOUSE AND INFORM THEM LATER OF HIS RESPONSE.

IN THE ENSUING QUESTIONS, THE OPPOSITION CALLED ON MR HESELTINE TO APOLOGISE, AND ARGUED THAT THE COURT'S DECISION CALLED IN QUESTION HIS WHOLE POLICY ON LOCAL GOVERNMENT EXPENDITURE. NONE OF THE QUESTIONS COULD COMPARE WITH THE VICIOUSNESS OF MR KAUFMAN'S OUTBURST, AND MR HESELTINE DEALT SUCCESSFULLY WITH THEM BY SAYING THAT A CALM LOOK AT THE COURT'S JUDGEMENT WAS NEEDED, AND THAT THE GOVERNMENT WOULD MAKE ITS RESPONSE KNOWN IN DUE COURSE.

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