



4 MAR 1974

Saturday & Sunday 2nd 3rd March.

There were Ministerial meetings at 10 Downing St. on both of these days in the evening. On both occasions there were crowds outside 10 DS. Same group as Fri, with addition of Whitelaw who was obviously still ill. Both meetings turned on the possibility of arrangement with Libs. Before the meeting on Sunday there had been a meeting with Thorpe and a telephone conversation. Prime Minister alone with private Secretary (R. Armstrong) for both.

The options before the Cabinet have been

(1) Resign at once. This one might regard as the King's pious opening. This I was against on Friday and remain of that opinion. An immense majority of the electorate voted for parties committed to the EEC and a statutory incomes policy and I am sure these are essential in the national interest. There can be



nothing wrong - and in my view everything right in seeking an arrangement to give effect to these two considerations.

(2) An arrangement with the Libs. This we have explored and I have reached the conclusion after discussion that it would be possible only on the basis that the Liberals participated in the Government (say one Cab. Mini: two Min. of State: two Under Secretaries). Any other arrangement would be too unstable and would not I think even be practicable. For instance, the financial measures would have, each and all, to be negotiated with the Liberals and I do not think it practicable to do this except on the basis that they actually shared responsibility. From the Lib point of view there would, I think be everything to be said for it. At least 5 members of their H. of C. for the first time acquire some experience of Government and so become more credible. This was not the Lib point of view. They wanted electoral reform to be implemented prior to any participation. This would



mean a gap of 9 months or more. Moreover I do not think the present House could pass electoral reform. The Labour Party would certainly put a bare line whip against it if we proposed it. The 11 Ulster Unionists would vote against it, as they are passionately against it for their own Stormont assembly. The Scot Nats and Welsh Nats might favour it, but certainly a number of Conservative members would vote against it on principle. Humphrey Atkins puts the number at 50, but 5 or 6 would be enough. A number of others would abstain.

(3) Participation or Coalition. I prefer the former phrase since a Cab: with only one or at most two Libs is hardly a coalition. This is the only viable prospect, and, as I wrote the Libs are now discussing it. I think they will turn it down. A number of intransigents do not wish to do business with us on any terms. Of the remainder who are



more sensible Frank Byers is against (Carrington saw him this morning (4 Mar) on the basis, it seems as Lib: Chief Whip at the end of the Coalition in 1945. However I would favour it. But, in view of the Parliamentary situation described above, I do not see how we can offer ~~the~~ more than a Speakers Conference on electoral Reform. I think we ought to offer this and we have in fact done so. We cannot offer more because we could not deliver the goods, and no arrangement of any kind would make sense unless it lasted over the Finance Bill i.e. until October at least.

(4) Thorpe (& David Windlesham) suggested an arrangement with Wilson. Wilson has already made it clear that he will not contemplate this. I think he is right. Any arrangement must involve agreed plans to deal with the economic situation in the national interest. But his plans could not be made to coincide with ours, and if he made a bargain he



would quite certainly be repudiated by his party.

There was a cabinet today. (note attached). We broadly agreed the above. If the Libs turn us down we shall resign forthwith. If they make counter proposals another Cab will be held. I think they will turn us down. If they do, I think they will be foolish, as they will have refused a chance of getting experience of Government, and their best chance ever of getting electoral reform, since thought that may be.

I believe they will be obliterated at the next General Election. Either there will be a Labour landslide, or we shall win a majority on the old electoral system.



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There was a Cab. at 1645 at wh: it was readily decided that this administration was to come to an end. Thorpe ridiculously had suggested that E.H. sh^d summon the three leaders to a conference to create a Gov^t of national unity. But such "grand alliances" are not made artificially. They are born of an identity of view concerning what requires to be done - Thorpe had rejected our offer of participation in Government. When two minority parties agree to participate in Government in order to create a majority that is honourable - because if such an arrangement is made it is based on a common programme. But when this is rejected it is not for either of them to summon the leader of the largest party for a conference. It is his business to resign if in office because he is ~~enable~~ unable to form a Government. The Sovereign will then summon the leader of the largest party who will seek to form a Government. If, having done so, or before doing so he desires to make



proposals, these deserve solemn consideration. But it is not for the leader of fourteen M.P.s. to dictate to him.

The Liberals have put Labour in power. In doing so they have done, I believe, damage to themselves. It remains to be seen how far the country and the Conservative Party will suffer too.