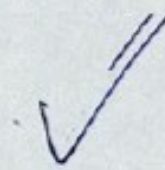


DRAFT



PRIME MINISTER

FIRST DAY BACK

Welcome back!

Formation of your new Cabinet

2. You will want to make an early start on the formation of your Cabinet. I list at A the main Ministers whom I think you may want to appoint first, in the order in which you may want to speak to them.

3. I suggest that, after the Chancellor of the Exchequer, you should start with those who are involved in major changes in the structure of Government.

4. This means beginning with the Lord Chancellor, whose support is essential for moving the Court Service to the Home Office and who must talk to the Lord Chief Justice and the Master of the Rolls today to tell them what is happening. Then the Home Secretary and - exceptionally - the Attorney General to get him on side with the legal profession as well.

5. In each case I have suggested points which you may wish to cover, plus a note of the changes which you making in structure which you can give each Minister to avoid any doubt. We will have copies available to hand across at the time.

6. There are bound to be attempts to haggle. In particular:

Derry Irvine, if he remains Lord Chancellor, may not want to lose the Court Service;

David Blunkett, if he becomes Home Secretary, may regret losing Home Office responsibilities elsewhere, particularly the Active Community Unit (to the Cabinet Office), Liquor Licensing (to DCMS), Electoral Law and the Fire Service (to DETR).

Jack Straw, if he goes to DETR, may object to losing Regional Development Agencies and the sponsorship of the construction industry.

I have covered the arguments in the speaking notes. But the basic point is that these are matters for decision by you. You are strongly placed to have your own way today.

Other points

7. You will want to remember:

- i. to tell the Queen that you are minded to transfer responsibility for Royal matters to the Lord Chancellor. You, supported by me as Cabinet secretary, will still remain Her principle source of advice on the most important and sensitive issues;
- ii. if you agree, William Chapman will speak to the Archbishop of Canterbury about the transfer of relations with the Church of England from the Home Office to the Lord Chancellor's Department;
- iii. to authorise me to set up Legislation Committee immediately, under the chairmanship of the Leader of the House, so that it can meet on Tuesday to discuss the Legislative Programme;
- iv. to discuss with Alastair Campbell and Godric Smith how to present your decision to take over Number 12 in a manner which does not appear arrogant to Parliament;
- v. to appoint the Minister for competitiveness at DTI before Sunday so that he or she can go to Brussels for an important meeting of the Employment Council;

RICHARD WILSON
8 June 2001