



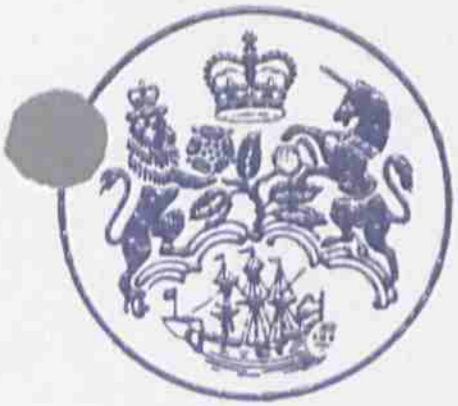
PRIME MINISTER

As you will remember, Cecil Parkinson as Secretary of State for Trade and Industry had two Special Advisers in the Department: Jeffrey Sterling and Michael Portillo.

2 I know that Cecil (and also Kenneth Baker and Norman Lamont) found Jeffrey Sterling an invaluable source of advice on many of the issues he had to confront. He has also taken a leading role in solving some of the specific industrial problems that have come the Department's way. His business experience at the highest level and his extremely wide range of City contacts add a dimension to the Department's work which in the nature of things officials simply cannot provide. I have discussed the position with Jeffrey, and both he and I would very much like the arrangements of the last year or so to continue. He would continue to devote about two days per week to the job (unpaid) while retaining his present post as Chairman of Sterling Guarantee, and (from the start of November) as Chairman of P&O.

3 I have been particularly concerned to ensure that there should be no conflict of interests between Jeffrey's business interests and those areas of the Department's activities on which I wish to seek his advice. This would at any time have been important, and Jeffrey's present involvement in the contested bid for P&O now before the Monopolies and Mergers Commission makes it





all the more so. I have therefore had reviewed the existing arrangements, under which Jeffrey neither advised nor saw any papers in relation to companies in which he had an interest or on monopolies or mergers policy, to ensure that these are tightly enforced. I intend to make clear these continuing restrictions in the announcement of his reappointment.

4 I should also like to appoint a successor to Michael Portillo. As you know, Michael Dobbs was my Special Adviser at Employment, and I should like to reappoint him as a Special Adviser to help me to work up our political objectives and priorities for the Department; and to help us to project our policies, most particularly by helping us with the preparation of speeches. From past experience I know him to be admirably well qualified for the task I anticipate. He will work two days a week here, with the remainder of his time, as before, being spent at Saatchi and Saatchi. I am conscious that this may not be enough to discharge the duties here (which have previously demanded a full-time Special Adviser), and I may seek a second part-time appointment, to bring the combined effort to one full-time equivalent. I shall seek your agreement should this reinforcing be needed.

5 I have discussed these proposals with Sir Brian Hayes and Sir Anthony Rawlinson, who are in agreement with them. They are also satisfied that the appointment of Michael Dobbs as a Special





Adviser would fully accord with the guidance which you have laid down, and that the salary which he would expect could be accommodated without difficulty or embarrassment.

6 I hope you will be able to agree to these two proposals.

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24. October 1983

Department of Trade and Industry