

PERSONAL AND CONFIDENTIAL



PRIME MINISTER

As you will remember, Patrick Jenkin as Secretary of State for Industry had two Special Advisers in the Department: Jeffrey Sterling and Stephen Sherbourne.

2 I know that Patrick (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 adds 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 2 days per week to the job (unpaid) while retaining his present post as Chairman of Town and City Properties. I understand that Patrick is writing to you separately about the possibility of Jeffrey continuing to do some work for him at DoE. I should have no objections to this.

3 I should add that my responsibilities include (as Patrick's of course did not) monopolies and mergers policy, and a variety of other regulatory matters; Jeffrey will neither advise me on these matters nor see any papers relating to companies where he has an interest. This will be made clear in the announcement of his reappointment.





4 I should also like to appoint a successor to Stephen Sherbourne. DTI Ministers make a great many speeches to influential audiences all over the country. The sheer number of opportunities which we have to spell out Government policy means that it is vital that we make the most of them. In order to help us in this task, we need someone who (like Stephen) can take the often admirable raw material which officials provide, and mould it into speeches which will catch the ears of the media. This is, of course, a role for Ministers themselves, but the number of speeches we make, and the pressures on our time, mean that we cannot always devote the attention we should to this task. I should therefore like to appoint Michael Portillo as a Special Adviser to help me, and the other DTI Ministers, 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. As you may recall, Michael has already done a job of this sort, for David Howell at the Department of Energy between 1979 and 1981. He would seem to me to be admirably well qualified for the task I anticipate.

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 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.

C P

20 June 1983

Department of Industry