


E.P.  
STRICTLY PERSONAL

PRIME MINISTER



Your Decision on the Party Chairman

We thought it would be helpful to do you a note on the Chairmanship, because you will want to make a decision very soon.

1. David Young

We both see the strong case for David Young. He has skills of presentation and organisation, is completely loyal and is politically on your wavelength.

But of course there is the problem of how you handle his quasi-judicial functions. If you and he were to agree that he should hand these to Ken Clarke, this would do a great deal to minimise the political charges of risks of impropriety. First, by combining the announcement of his appointment with the announcement that he was delegating such powers, you would be showing the world that you were taking action on this point. Secondly, it is of immense help that David Young is in the Lords, and cannot be attacked directly by the likes of Campbell-Savours et al. If Ken Clarke is asked about any company on which he has made a decision, he will be able to say in the House that he has not discussed this matter at all with Lord Young.

../..



There is also the question of whether David Young could do both jobs in terms of time: . . . the Party Chairman has to spend a fair amount of time up and down the country at meetings and he would not want to find himself cancelling because of Departmental or Government business. But for Cecil's brief period from June to September, 1983, no Party Chairman in your term of office has combined the job of Chairman with running a Department).

The possibility has been raised of relieving David Young of the job of Secretary of State and giving it to Ken Clarke. Yet the fact is that David is much more likely to run the DTI properly than Kenneth would. (This is also the view of Jeffrey Sterling, who came to see me (Stephen) very privately).

## 2. The Alternative Candidates

If you were to decide against David Young, you would be having to go for somebody you regard as second best. It is therefore no good trying to find a Candidate who combines all the qualities that David has. You would have to bring in somebody with good presentational skills, but who lacked the organisational ability and who would therefore need a good Chief Executive.

If you look at Ministers who have Departments, e.g. George Younger, John Moore, Ken Baker, you still run up against the problem of a man doing two big jobs. The only thing you avoid is the alleged conflict of interest which arises most acutely with DTI.



If you want to avoid someone taking on the burden of two jobs, but still choose somebody currently in the Cabinet, then the only names are Lord Whitelaw and John Wakeham.

You could, of course, look at those at Minister of State level. But there is no obvious person at all. And you would run the risk of making another Gummer-type appointment. Moreover, doing this would weaken your own position because it would signal to the world that you had decided against David Young not because you had a marvellous candidate instead of him, but because you had had your hand forced.

### 3. Conclusion

All this suggests that David Young is the right man to be Chairman if you can agree with him an effective delegation of his referral powers.

### 4. Timing of an Announcement

Norman Tebbit and David Young are both in London for only a few hours this Sunday. Young arrives at Heathrow at 5.00am on Sunday, and Tebbit departs at 6.00pm on that day.

Moreover, Tebbit is going to the States as Chairman and has said that, if he were no longer Chairman, he would not wish to go. Cancellation would, of course, be embarrassing. But Tebbit has also said he would like his last day in the office to be next Friday, 30th October, the first day he is back from the States, so that the new Chairman can take over on Monday, 2nd November.

.../...



The options are therefore as follows:

- a) Announce the decision on Sunday and hope that you can persuade Norman to go to the States nevertheless.
- b) Announce on Sunday who the new Chairman will be, but that he will not take over until 2nd November. This may make it easier for Norman still to go to the States. But it is likely that Norman will see this as little different from option a).
- c) Delay an announcement until Norman gets back from the States and announce it on Friday, 30th October.

Option c) would appear to be the cleanest solution. But I suspect Norman will be pressing you for an idea of what is in your mind before he leaves for the States. You can hardly tell him without it leaking and without also telling David Young.

If you go for Option c) you must take the risk of speculation still running in the press, and be prepared to resist the pressure from Norman who will want a private inkling of what is in your mind. But that simply means doing nothing and then seeing both Tebbit and Young on Friday, 30th October.

We would both like to come and see you tomorrow (Friday) afternoon to discuss this with you.

*S.S.*

STEPHEN SHERBOURNE

*A.H.*

ARCHIE HAMILTON