

Prime Minister

1.

If you are disposed to turn down this proposal —
and on balance I think you would be right to do so —,
I suggest that you have a word with Sir Keith Joseph before
you take a final decision.

KW
SK

PRIME MINISTER (through Mr. Whitmore)

Here is a note from Keith Joseph explaining why he thinks you can safely appoint John Butcher as PPS to Adam Butler, despite the conflict of interest problem we raised.

I am still far from convinced. Indeed, I think the position is made worse by what we are now told about Mr. Warren. (I think this appointment was settled verbally by you: his industry connections were certainly never spelled out on paper to you.)

These conflict of interest questions are not simply matters of direct financial interest. It is easy to argue that a PPS could have some hand in policy decisions favourable to his company's industrial needs, without there being a direct financial issue at stake. On the one hand, there is pressure for Ministers to have more knowledge of industry. But on the other, Governments must be seen to avoid falling into the hands of any special interests. There are risks in appointing any PPS to work with a Department handling legislation in a field where the PPS is also drawing a salary from an active company. Both the existing appointment of Mr. Warren and the proposed appointment of Mr. Butcher do not provide the visible degree of detachment which is the only certain way of being above suspicion.

Do you agree that you should turn down the proposal to appoint John Butcher PPS, if that means that he will work on information technology whilst he remains employed by a computer software company?

MAJ The idea that Ministers
P.P.S.'s will be sensitive
downside is taking part in
financial decisions is a totally new one
to me. I should have thought it
didn't happen. May I have brief
discussion with Keith. no.

4 December 1980

APPOINTMENTS IN CONFIDENCE



Parliament

10 DOWNING STREET

From the Principal Private Secretary

16 December 1980

Dear Sir,

PPSs IN THE DEPARTMENT OF INDUSTRY

The Prime Minister had a word this morning with your Secretary of State about his minute of 4 December about the proposal that Mr. Butcher should be appointed as an additional Parliamentary Private Secretary in the Department of Industry, and they agreed not to take the matter any further for the time being.

I am sending a copy of this letter to Murdo Maclean (Chief Whip's Office).

Yours ever,

John Whitman.

I.K.C. Ellison, Esq.,
Department of Industry.



PRIME MINISTER

PPSs IN THE DEPARTMENT OF INDUSTRY

1 Adam Butler has minuted to you about his wish that John Butcher should be appointed as an additional PPS in the Department of Industry. This would be a desirable appointment; John Butcher's familiarity with information technology would be a special help during the passage of the British Telecommunications Bill through Parliament and, since he is frequently in the House, he will be able to make a more general contribution to help the Department.

2 I have looked into the possibility of a conflict of interests which I know causes you concern. Difficulties would arise only if John Butcher were to learn about, or to be associated with, discussion of any financial assistance, contract, consultancy or general policy decision, which affected his company. These are very narrow areas and I am satisfied that John Butcher can be appointed without risk of any impropriety.

3 Adam and I do not deal with details of financial assistance cases; they fall to Tom Trenchard in the first instance and are referred to me in such a way that no PPS would see the papers unless special arrangements were made to bring him into the discussion. Similarly, Adam and I do not select contractors or consultants; we act on the advice of officials and this advice is submitted to us in a way which would not be seen by a PPS.

/The ...



2

The only problem is with general policy questions and we know of the problems in this area because we have had to take account of Ken Warren's interests in aerospace and computer companies.

4 I think we can apply the same general principles to John Butcher. If you agree to his appointment in principle, Adam and I would establish a firm agreement with John on the lines of that which we have already established with Ken Warren.

5 I am copying this minute to the Chief Whip.

Department of Industry
Ashdown House
123 Victoria Street

K J
4 December 1980

-4 DEC 1980

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appointment

I share Mr Pattison's doubts about his proposal
and agree that it would be a good idea for you
to speak to Sir Keith Joseph before you take

- 1. MR. WHITMORE
- 2. PRIME MINISTER

a decision

Attd
26/11

Adam Butler seeks your agreement to the appointment of John Butler as the second PPS in the Department of Industry, succeeding John Wilkinson who wishes to stand down.

There is some potential conflict of interest. Mr. Butler still works in the computer industry. Mr. Butler undertakes to ensure that Mr. Butler is not privy to information which would affect his financial interest. On the other hand, he does expect Mr. Butler's advice to be valuable in the information technology area, recently added to Mr. Butler's responsibilities. You may feel that this is unwise, and that the role of a PPS working for a Minister responsible for information technology when the PPS is employed in the computer field will make him a target for criticism - whether legitimate or simply inspired by business rivalry.

Do you want to have a word with Keith Joseph before taking this any further?

- Yes

MAP

ms

Cabinet Office: no comment.



PRIME MINISTER

I would be grateful for your consent to the appointment of John Butcher to be my PPS in place of John Wilkinson who has asked to stand down due to other commitments.

I have discussed this appointment with Keith Joseph and my other colleagues in the Department. They are agreed that a second PPS (in addition to Ken Warren) will continue to be necessary as we are faced with a heavy burden of work on the Industry, British Telecommunications and Iron and Steel Bills. The passage of the BT Bill in particular will be long and controversial and it will be an invaluable help to have the advice and assistance of another PPS.

I have discussed several names with colleagues here and have concluded that John Butcher would be the best man for the job. He has a background in the field of computers: he was with IBM and is now with Applied Computer Techniques Ltd, a small firm dealing mainly in software. I do not believe that there would be any serious conflict of interest, although clearly we would have to ensure that he was not privy to information which would affect his financial interest. On the other hand, I feel that John Butcher's advice will be helpful in the new area of my responsibilities concerning Information Technology. The Chief Whip has, subject to your views, agreed to this appointment.

I am copying this minute to the Chief Whip.

A.C.B.

ACB

25 November 1980



25 NOV 1980

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