

PREM 19/1258

Confidential Filing

Appointment of Special Adviser
to the Prime Minister.

GOVERNMENT
MACHINERY

483

August 1982.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
27.11.82							
15.6.83							
4.4.83							
18.1.84							
PREM 19/1258							

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SIR PERCY CRADOCK

File 6

cc: Mr. Coles
Mr. Murray

Thank you for your minute of today. The words I had in mind were in the Press Notice itself about Sir Anthony Parsons' appointment and in the first paragraph of Notes to Editors. I attach a copy. You will see that the words are very few indeed.

I have, however, remembered another source. Shortly after the announcement of Sir Anthony's appointment the Chairman of the House of Commons Foreign Affairs Committee asked for the Prime Minister's agreement to Sir Anthony's appearing before the Select Committee. The Prime Minister withheld her agreement but sent a note about Sir Anthony's appointment, of which I also attach a copy. I drafted this and it was cleared with the Cabinet Office and the FCO.

Perhaps we could have a word about this tomorrow morning.

H. E. R. BUTLER

18 January 1984

CONFIDENTIAL

cc Mr Coles
Mr Murray

MR. BUTLER

We had a word yesterday about Henry Stanhope's proposal that we pass to him material allowing him to write a piece on how I see my role.

Attached is a copy of the Speaking Note prepared at the time of Tony Parsons' appointment. Unfortunately it contains nothing directly meeting Stanhope's request. Since there is no sacred text we shall have to decide the question de novo.

My feeling, having tried my hand at a very short description of my role, is that anything said publicly would be tricky and that it would probably be wiser to say nothing. Mr Stanhope wrote a piece on Monday, copy attached, presumably on material provided by News Department, FCO, which should go some way to meet whatever appetite exists.

Perhaps the best way of settling this would be to have a very short meeting.

h
- 18h
PERCY CRADOCK
18 January 1984

CONFIDENTIAL

RC

X

116 JAN 1984

cutting dated.....19

F.C.O.
HONG KONG
COUNCIL
POD
pdfs

Man in the news

Whitehall mandarin with a Chinese background

By Henry Stanhope, Diplomatic Correspondent

A new but not entirely unfamiliar face crossed the narrow threshold of 10 Downing Street last week - and will be much in evidence today when members of Hongkong's executive council, the colony's "Cabinet", arrive for talks with Mrs. Margaret Thatcher.

It belongs to Sir Percy Cradock, who at the age of 60, has succeeded Sir Anthony Parsons as Mrs. Thatcher's special adviser on foreign affairs. Like Sir Anthony he is a recently-retired diplomat and again like his predecessor he has gone to No 10 after a round of complex negotiations over a residual legacy of empire. But the resemblance largely stops there.

Parsons' piece was the Falkland Islands, when he was Britain's permanent representative at the United Nations during the 1982 war with Argentina. Cradock's is Hongkong, in whose uncertain future he became involved while conducting the Anglo-Chinese talks as our ambassador in Peking.

Again, unlike his predecessor he will be at No 10 for only part of the time, crossing Downing Street to a second desk he is retaining at the Foreign Office, from where he will keep an official eye on the Hongkong talks. But for his wife's health he would probably have remained in China to see the talks through.

Intellectually at least the dual responsibility should present him with few problems. Sir Percy might lack Sir Anthony's

broad experience, having spent most of his career in the Far East or in the East-West forum. But he has long been regarded as having one of the best brains in the Foreign Office with an elegant "succinct" prose style which has made his telegrams from abroad without classics of their kind.

He took first-class honours in English and Law at Cambridge (St John's College) where he went after war service with the RAF.

He served in Kuala Lumpur, Peking, Berlin - where he was ambassador to East Germany - and Geneva (as leader of the British delegation to the Com-

prehensive Test Ban Treaty talks) before returning to China as ambassador in 1978. In the late 1960s he was frequently in the news as British chargé d'affaires in Peking during the Cultural Revolution, when he worked hard for the release of Mr Anthony Gray, the Reuters correspondent held under house arrest. More recently he entered the headlines when Watford FC footballers and their famous pop-singing chairman Elton John objected to being entertained by the British Embassy in what was described as a "scout hut" while playing China in Peking. Sir Percy was said to be "fuming" over the incident, but did not apparently attend the match.

The Chinese found him a tough nut anyway and admired his negotiating skill. They found him, by all accounts, wonderfully inscrutable. It is a quality he should find useful at No 10.

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SPEAKING NOTE FOR BERNARD INGHAM

A press notice has been issued from 10 Downing Street about the appointment of Sir Anthony Parsons as adviser on foreign affairs. This appointment is the result of the consideration which the Prime Minister has been giving to the advice available to her within 10 Downing Street. The Prime Minister has concluded that reinforcement was needed in the areas of foreign affairs and defence to complement the assistance already given to her by the Economic Adviser, Professor Walters, and the small policy unit headed by Ferdinand Mount, who concentrate on domestic affairs. In addition to Sir Anthony Parsons, an Assistant Secretary from the Ministry of Defence, Mr Roger Jackling, will also be joining the Prime Minister's office to cover defence matters. Mr Jackling will take up his post on 31 January.

NOTES FOR SUPPLEMENTARIES

1. Any other appointments envisaged ?

Not at present. But as the Prime Minister said in the House on Thursday 11 November:-

"I am not setting up a Department. I have a Prime Minister's Office. From time to time, there have been considerable changes in that Office

I feel that we should have some foreign affairs advice in addition to the other advice available in No 10, but through the Prime Minister's Office, not a non-existent Prime Minister's Department".

2. Will Sir Anthony Parsons and/or Mr Jackling assist with intelligence material ?

We do not comment on the handling of intelligence material.

3. Mr Jackling's background ?

Aged 39. Educated Wellington College, New York University and Jesus College, Oxford (International Politics). Married with two sons (born 1978 and 1981). Son of Sir Roger Jackling, former Ambassador to Bonn.

He joined the Ministry of Defence in November 1969. He has a good understanding of Private Office work having served as Private Secretary to the Permanent Under Secretary (Army) (1970-71) and as Assistant Private Secretary to the Secretary of State (1976-79). He has a very sound working background on NATO, Nuclear policy and crisis management. Most recently as Head of DS11 he has been dealing with non-NATO Defence policy and was and is very deeply involved in Falkland Islands business. He was awarded the CBE for the part he played in the Falklands Operation.

4. Will Mr Jackling be working for Sir Anthony Parsons ?

No: he will be complementary to him, concentrating on defence while Sir Anthony Parsons concentrates on foreign policy. Because the two subjects are so inter-linked, they will work closely together.

5. Status of Sir Anthony Parsons and Mr Jackling ?

Sir Anthony Parsons will be a special adviser, engaged like other special advisers under a contract which will expire at the next General Election. Mr Jackling is a civil servant, who will be seconded to 10 Downing Street like other civil servants working there.

6. Sir Anthony Parsons's political views ?

He is a foreign affairs adviser not a political adviser. His political views are entirely a matter for him. We have no idea what they are.

7. Numbers at 10 Downing Street ?

Sir Anthony Parsons's and Mr Jackling's appointments are not expected to require the appointment of additional support staff at 10 Downing Street. On 1 November 1982, staff in the Prime Minister's office totalled 67 civil servants and 4 special advisers. This compares with 65 civil servants and 4 special advisers in 1 May 1979.

8. Does appointment of Jackling rather than, say, Cooper signify greater priority given to foreign affairs than defence ?

No. The priority given to any area of government depends on circumstances and events.

But the workload on the foreign affairs side tends to be heavier, given the Prime Minister's involvement in the European Council, Economic Summit and frequent meetings at home and abroad with foreign statesmen.

9. Pay of the two

Sir Anthony Parsons will be paid at three fifths of the Second Permanent Secretary rate (i.e. $3/5 \times \text{£}35,000 = \text{£}21,000$). Mr Jackling is paid on the normal Assistant Secretary scale.

10. Can we expect further expansion of the office after the Election ?

These two appointments have been made to meet a specific need. The Prime Minister's Office is still about the same size as under the last Administration. There are no grounds for suspecting some deep-laid plot to move towards a Prime Minister's Department.

11. Do these appointments stem from the Prime Minister's experience over the Falklands ?

Not directly. They reflect the Prime Minister's reflections about the support she has needed over the whole of her three years in office so far. She knew Sir Anthony Parsons well before the Falklands campaign.

12. Further changes following the Franks report, particularly on intelligence ?

We must wait and see what Franks says.

File

82P

MR. INGHAM

c. Mr. Mount

DAVID HOBSON

You will have seen Mr. Mount's minute to me of today. In order to avoid creating the concept of an honorary adviser - for which the MPO would no doubt have to devise a large volume of regulations! - I have agreed with Mr. Mount that a formulation of an announcement might be as follows:

"The Prime Minister has asked Mr. David Hobson to act as an adviser to her Policy Unit in 10 Downing Street. The appointment is part-time and carries no salary. Mr. Hobson has recently retired after 8 years as Senior Partner in Coopers and Lybrand.

Sir Douglas Hague has ceased to advise the Prime Minister's Policy Unit on his appointment as Chairman of the Social Science Research Council."

Would you please put this out on Monday, 19 September (if you see no objection to that date) in whatever form you think most appropriate.

E. E. R. BUTLER

14 September 1983

Mr. Ingham
Was Sir Douglas Hague's appointment
announced? If so, could I see
it please

14 September 1983

MR BUTLER

ERB

cc Mr Ingham

DAVID HOBSON

14.9.

Mr Butler
No press announcement either by
press notice (as for Sir John Hordley) or through
the lobby (as for Norman Straker) was
made
The only public
rec'd
extracted
SK
(4/9)

Following a meeting this morning, the Prime Minister has now agreed that David Hobson should join the Policy Unit as an honorary adviser. We would like to announce this as soon as possible, since he will be abroad in the first part of October. Could we aim for a Monday, 19 September announcement?

I suggest something on the following lines:

The Prime Minister has asked Mr. David Hobson to act as an
"Mr David Hobson is joining the Prime Minister's Policy
adviser to her Policy Unit in 10 Downing Street. The appointment is
Unit as an honorary adviser. He will not be paid from
part-time and carries no salary.
public funds and will work part-time. Mr Hobson has
recently retired after 8 years as Senior Partner in
Coopers and Lybrand.

"Sir Douglas Hague ^{has} ceased to ^{advise} be honorary adviser to
the Prime Minister's Policy Unit on his appointment
as Chairman of the Social Science Research Council."

FERDINAND MOUNT

fm

Friday 27 July 1979

(Answered by the Prime Minister on 27 July)

UNSTARRED Mr. Bob Cryer: To ask the Prime Minister, if she
NO. 94 will list her economic advisers; whether they
(W) work full - or part-time; and what is the scope
of the advice they provide.

I have not appointed any economic advisers on a full or part-time salary basis.

I have two Special Advisers: John Hoskyns who works full-time and Norman Strauss who is part-time. Professor Douglas Hague assists the Policy Unit at 10 Downing Street but only receives expenses.

top copy returned to Policy Unit?

(F) - PU

PRIME MINISTER

POLICY UNIT
19 July 1983

DAVID HOBSON

mf

Alan Walters suggested to me that David Hobson might make an admirable honorary adviser to the Policy Unit.

Hobson is 60 and is just retiring after 8 years as Senior Partner of Coopers Lybrand. John King and others think highly of him. As you would expect from his position, he has vast experience of both the public and the private sector, both at home and abroad, ranging from the National Coal Board to the Volta Dam.

His other great advantage is that he is very comfortably off and would require no payment. Our present honorary adviser, Douglas Hague, has resigned in view of his impending appointment to the SSRC, although he will of course pop in for a chat now and then.

David Hobson struck me as an astute man of considerable authority who would be able to give a seasoned assessment of most projects and corporate plans involving large sums of taxpayers money.

Would you like to meet him in September?

fm

FERDINAND MOUNT



AA

10 DOWNING STREET

From the Principal Private Secretary

STAFF IN CONFIDENCE

MR STEVENS

SPECIAL ADVISERS

The Prime Minister has authorised the re-engagement as Special Advisers of Professor Sir Alan Walters, Sir Anthony Parsons, Mr Mount, Mr Shipley and Mr Monckton.

The appointment of Sir Alan Walters is to come to an end at the end of August and he will thereafter be engaged as a consultant, at a salary of £12,500 on the basis that he spends one week per month in London: this arrangement has been approved by Sir Robert Armstrong and Mr Middleton. For the moment, in his case, you may like to prepare a letter of engagement which terminates at the end of August, but I should be grateful if you would be considering a letter of engagement for his consultancy thereafter, so that I can send this to him in the course of July.

I do not know at this stage how long the other engagements will last: in particular, strictly for your own information, Mr Mount has indicated that he may not want to complete the full two years of his original engagement, provided that a satisfactory successor can be found in the mean time. But I imagine that we should re-engage all the Special Advisers other than Sir Alan Walters for the terms of what their original engagements would have been if the General Election had not intervened.

F.E.R.B.

15 June 1983

804
Govt. Mach.

29 November 1982

Following your telephone call on Friday, I discussed with the Prime Minister the question of whether you should arrange to be here on Tuesday, Wednesday and Thursday rather than the last three days of each week. Mrs. Thatcher thinks it would be best if you were indeed able to be here on Tuesday, Wednesday and Thursday.

A. J. COLES

Sir Anthony Parsons, KCMG, MVO, MC
Highgrove, Ashburton, Newton Abbot, Devon.

804



Sir Antony Acland KCMG KCVO
Permanent Under-Secretary of State

Foreign and Commonwealth Office

London SW1A 2AH

26 November 1982

F E R Butler Esq
10 DOWNING STREET

Dear Robin,

SIR ANTHONY PARSONS

Thank you for your letter of 25 ^{with FERB} November.

Mr Pym strongly agrees with the Prime Minister that Sir Anthony Parsons should not appear before the FAC, and would like the Prime Minister's letter to be very firm on the point. It might be better to omit the clause, 'and since Sir Anthony Parsons is not due to take up his appointment until the New Year', from the draft attached to your letter, since this may only encourage Sir Anthony Kershaw and the Committee to return to the charge then. Otherwise Mr Pym is content with your two drafts.

Yours ever
Antony

Antony Acland

cc: Sir Robert Armstrong KCB CVO
CABINET OFFICE
Andrew Ward Esq
LORD PRESIDENT'S OFFICE

MR. BUTLER

C. McFall
Sir A. Adland

Sir Anthony Parsons

I agree that Sir Anthony Parsons should not appear before the FAC.

I am content with the draft letter and note, subject to the following suggested amendments:

Draft letter:

Line 3, delete "special".

Lines 4 to 6, delete "and some.... the New Year".

Draft note:

Line 1, delete "special".

Line 15, after "advising" insert "her".

("Special advisor" is a bit of a term of art; as it was not used in the memorandum, I think we should avoid using it in his letter and note.

RCA 26 vii

PRIME MINISTER

Tony Parsons rang today to say that he would now not be carrying out a contract with the BBC in the New Year. The explanation is simply that he told the BBC that, because of his new appointment here, he would obviously have to be more circumspect than he would otherwise have been and if they wanted to choose someone else he would have no objection. The BBC decided to find an alternative.

This means that Tony Parsons' three days here need not now be Wednesday, Thursday, Friday. If you preferred, he could come from Tuesday to Thursday.

I do not think it matters much either way. But the advantage of him being here on Friday is that he will be able to look at the JIC output which usually becomes available on Friday morning.

If you agree, therefore, I shall suggest that he sticks to Wednesday to Friday.

As JIC meets on A.S.C.
Thurs. morning - surely
the output would be available
on Thurs afternoon. I would
be convenient for us for him to
be here Tues. Wed. Thurs.
not.

26 November 1982

Thursday 25 November 1982

(Answered by the Prime Minister on Friday 26 November 1982)

UNSTARRED Mr Tam Dalyell: To ask the Prime Minister, how many
NO. 148 staff will be assigned to Sir Anthony Parsons; and
what their Civil Service ranks will be.

Sir Anthony Parsons will receive support from
a personal secretary already on the staff of
10 Downing Street.

Thursday 25 November 1982

1

(Answered by the Prime Minister on Friday 26 November 1982)

UNSTARRED Mr Tam Dalyell: To ask the Prime Minister, pursuant
NO. 145 to her reply to the honourable Member for West
Lothian on 24th November, to which Civil Service
grade Sir Anthony Parsons has been appointed.

Sir Anthony Parsons' appointment as Adviser on
Foreign Affairs carries the grading of Second
Permanent Secretary.



10 DOWNING STREET

From the Principal Private Secretary

25 November 1982

Dear Antony,

The Prime Minister has received a letter from Sir Anthony Kershaw asking whether she would agree that Sir Anthony Parsons should appear before the Foreign Affairs Committee to give evidence about his duties. I enclose a copy of Sir Anthony Kershaw's letter.

I have had a brief conversation with the Prime Minister about this, and her present view is that she would not wish Sir Anthony Parsons to appear in this way. It has not been the practice for special advisers from No 10 to appear before Select Committees and the Prime Minister would be reluctant to create a precedent for such an appearance. The best way of dealing with this might be for the Prime Minister to write explaining that she does not think it appropriate for Sir Anthony Parsons to appear before the Committee, but dealing with the purpose of the request by sending a note about Sir Anthony Parsons's role for circulation to the Committee. I attach a draft of such a letter and note, and I should be very grateful if you could let me have any comments by noon tomorrow, 26 November.

I am copying this letter, with a similar request, to Sir Robert Armstrong and to Andrew Ward (Lord President's Office).

Yours sincerely,

Robin Butler

Sir Antony Acland, KCMG, KCVO.

Thursday 25 November 1982

(Answered by the Prime Minister on Friday 26 November 1982)

UNSTARRED Mr Tam Dalyell: To ask the Prime Minister, what
NO. 146 rules govern the abatement of pensions of senior
civil servants who are subsequently appointed as
special advisers by Ministers.

Retired civil servants employed as special advisers
by Ministers are subject to the provision under which
the pensions of retired officers re-employed elsewhere
in the Civil Service are liable to abatement (rule
3.26 of the Principal Civil Service Pension Scheme).



10 DOWNING STREET

Press Notice

APPOINTMENT OF FOREIGN AFFAIRS ADVISER

The Prime Minister has appointed Sir Anthony Parsons, GCMG, MVO, MC, to be Adviser on Foreign Affairs with effect from 1 January 1983. Sir Anthony Parsons will work at 10 Downing Street in close co-operation with the Foreign and Commonwealth Office and with other Departments with an interest in foreign affairs.

24 November 1982

Notes for Editors

Sir Anthony Parsons' appointment has been made in consultation with the Foreign and Commonwealth Secretary. It is designed to facilitate and reinforce the continuous contact between 10 Downing Street and the Foreign and Commonwealth Office in the formulation and furtherance of foreign policy.

The appointment will be part-time, on the basis of three days a week. It will carry the grading of Second Permanent Secretary.

Sir Anthony Parsons was born in 1922. He was educated at King's School, Canterbury and Balliol College, Oxford. He joined the forces in 1940, and in 1952 became Assistant Military Attache, Baghdad. His subsequent career in the Diplomatic Service included spells in a number of posts in the Near and Middle East and in the Gulf; he was British Ambassador to Iran from 1974-79. He served as Counsellor in the United Kingdom Mission to the United Nations from 1969-71, and as United Kingdom Permanent Representative to the United Nations from 1979-82. He retired from the Diplomatic Service in July 1982.

APPOINTMENT OF SIR ANTHONY PARSONS

Sir Anthony Parsons's appointment is as an adviser to the Prime Minister on foreign affairs. He will be a member of the staff of 10 Downing Street, assisting the Prime Minister in her work on foreign affairs and working in close co-operation with the Foreign and Commonwealth Office and with other Departments with an interest in those issues. His appointment is designed to facilitate and reinforce the continuous contact between 10 Downing Street and the Foreign and Commonwealth Office in the formulation and furtherance of foreign policy.

Sir Anthony Parsons's function will be advisory, like that of other special advisers in 10 Downing Street and elsewhere. His role will be to assist the Prime Minister by identifying policy issues requiring or likely to require her attention, advising her on them and contributing to the formulation of Government policy. The appointment involves no change in existing departmental functions or Ministerial responsibilities.

F E R Butler Esq.

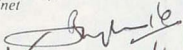


CABINET OFFICE 3.30.

F. Butler

(would prefer Wednesday
(or Thursday 3.30). Wednesday
would be best. P.A.
could set tied up
with Drabs on
Thursday.

With the compliments of
Sir Robert Armstrong KCB, CVO
Secretary of the Cabinet

cc M. Ingham  16
11

Pl. note x1
below. Can you suggest
date(s) at which we
might aim next week.

70 Whitehall, London SW1A 2AS
Telephone: 01-233 8319

FERB

15.11.

CONFIDENTIAL AND PERSONAL

Gov mach



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

Ref. A082/0092

12 November 1982

Sir Anthony Parsons

Thank you for your letter of 9 November.

As I told you on the telephone, the press statement and notes for editors have been approved by the Prime Minister in the form attached, save that she has taken out the first eight words of the statement, and has inserted at the beginning of the first note a sentence which reads: "Sir Anthony Parsons's appointment has been made in consultation with the Foreign and Commonwealth Secretary".

19.11.82 X I have reminded Robin Butler that the Foreign and Commonwealth Secretary would like to have a word with Bernard Ingham before any announcement of Tony Parsons's appointment is made. As I told you on the telephone, I should think that the announcement might well be made some time next week, perhaps simultaneously with a parallel announcement about a possible defence adviser.

I am sending a copy of this letter to Robin Butler.

ROBERT ARMSTRONG

Sir Anthony Acland KCMG KCVO

CONFIDENTIAL AND PERSONAL

DRAFT PRESS STATEMENT

In consultation with the Foreign and Commonwealth Secretary the Prime Minister has appointed Sir Anthony Parsons GCMG to be adviser on foreign affairs with effect from 1st January 1983. Sir Anthony Parsons will work at 10 Downing Street in close co-operation with the Foreign and Commonwealth Office and with other Departments with an interest in foreign affairs.

NOTE FOR EDITORS

1. Both the Prime Minister and the Foreign Secretary place great trust and confidence in the wisdom and experience of Sir Anthony Parsons. There is continuous contact between 10 Downing Street and the Foreign and Commonwealth Office on the formulation of British foreign policy; Sir Anthony Parsons's appointment will help to ensure that that contact is close and effective in the furtherance of the objectives of foreign policy.
2. The appointment will be part-time, on the basis of three days a week. It will carry the grading of Second Permanent Secretary.
3. Sir Anthony Parsons was borne in 1922. He was educated at King's School, Canterbury and Balliol College, Oxford. He joined the forces in 1940; and transferred to the Diplomatic Service in 1952 when he went as Assistant Military Attache to Baghdad. His career in the Diplomatic Service has included spells in a number of posts in the Near and Middle East and in the Gulf; he was British Ambassador in Iran from 1974-79. He served as Counsellor


in the United Kingdom Mission to the United Nations from 1969-71, and as United Kingdom Permanent Representative to the United Nations from 1979-1982. He retired from the Diplomatic Service in July 1982.

Govt Mach:
- Reorganisation of
HMT
- PM's Dept. etc

in the United Kingdom Mission to the United States from
1882-11, and in United Kingdom (Foreign Office)
to the United States from 1875-1882. He retired from
the Diplomatic Service in July 1947.

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B 9
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Ref. A082/00031


MR BUTLER

I have been thinking further about the Prime Minister's wish to improve her access to the intelligence apparatus.

2. If the proposals which I am putting to you separately for Advisers on foreign affairs and defence affairs are accepted, the Prime Minister will have two extra people working for her in 10 Downing Street who will need to see intelligence assessments and will advise her on their significance in the areas of policy with which they are concerned.

3. As part of the proposals I have put to the Prime Minister for changes in the intelligence machinery, I have put separately to the Prime Minister a proposal that the chairmanship of the Joint Intelligence Committee should be brought from the Foreign and Commonwealth Office and held by somebody of appropriate rank in the Cabinet Office; that this should in fact be the Intelligence Co-ordinator, Sir Antony Duff; that the Intelligence Co-ordinator should be given a Staff Officer to assist him in carrying out this function and in subjecting intelligence assessments and the assessment process to a constantly vigilant scrutiny; and that the Chairman of the Joint Intelligence Committee should have direct access to the Prime Minister. This would be a two-way access: he could ask to see her, and she could arrange to see him as often as she needed and wished.

4. It seems to me to be very doubtful whether there is room or need for any more than this. Experience may prove that there is; but I suggest that we should try the arrangements now proposed - the foreign and defence affairs Advisers plus the direct access to the Chairman of the Joint Intelligence Committee - for a trial period, and then review them in, say, a year's time, to see if they are sufficiently meeting the Prime Minister's needs.



ROBERT ARMSTRONG

8th November 1982

Govt Mach
Mr. Anderson



Personal

Ref. AO82/00028

MR BUTLER

- I attach three minutes to you on the arrangements for providing the Prime Minister with advice on foreign affairs, defence affairs and intelligence.

2. As to the draft Press Statement on the appointment of Sir Anthony Parsons, I would myself have been minded to omit the first eight words from the draft Press Statement itself, and to include the thought in an additional first sentence in the first of the notes for editors, which might read: "Sir Anthony Parsons's appointment has been made in consultation with the Foreign and Commonwealth Secretary". The Foreign and Commonwealth Secretary would, however, prefer the reference to consultation with him to be included in the draft Press Statement itself.

3. While the Foreign and Commonwealth Secretary would be content with the appointment of an Adviser on defence affairs to be announced at the same time as Sir Anthony Parsons, he would not wish the announcement of Sir Anthony Parsons's appointment to be held up on this account, and indeed thinks that it would be as well for the announcement to be made sooner rather than later. He has said that he himself would like to have a word with Mr Ingham before the announcement is made.

RA

ROBERT ARMSTRONG

8th November 1982

OLAND D B (David)

Age 35. Educated Glasgow Academy and Corpus Christi, Cambridge (Economics). Married with one daughter (born 1975) and one son (born 1978).

He joined the Ministry of Defence in 1970. He has considerable experience of all aspects of Defence policy as a result of his spells in Private Office (APS/S of S 1973-75 and 1979-81) and PS/S of S (1981-82), his work on Northern Ireland business and on the co-ordination of the Defence Budget. He was PS to Mr Nott during the Falklands conflict.

He is now responsible for organization and efficiency studies throughout the MOD.

STAFF IN CONFIDENCE

LEGGE J K (Michael)

Aged 38. Educated Queen Elizabeth's Grammar School Barnet, Royal Grammar School Guildford and Christ Church Oxford (Chemistry). Married with two sons (born 1975 and 1978).

He joined the Ministry of Defence in September 1966. He has some experience of Private Office work having served as APS/Minister (E) and as APS/S of S (1969-71). He has a very sound knowledge of nuclear policy, both as a Principal from 1973-74 and as Head of the Lead Division from 1979-82. Additionally he has a wider knowledge of NATO policy having served for 3 years with the UK Delegation to NATO. He has just completed a 6 month period of study with the Rand Corporation, at their invitation, producing a paper on Theatre Nuclear Weapons in NATO Strategy.

STAFF IN CONFIDENCE

JACKLING R T (Rover)

Aged 39. Educated Wellington College, New York University and Jesus College Oxford (International Politics). Married with two sons (born 1978 and 1981).

He joined the Ministry of Defence in November 1969. He has a good understanding of Private Office work having served as PS/PUS(A) (1970-71) and as APS/S of S (1976-79). He has a very sound working background on NATO, Nuclear policy and crisis management. Most recently as Head of DS11 he has been dealing with non-NATO Defence policy and was and is very deeply involved in Falkland Islands business. He was awarded the CBE for the part he played in Operation CORPORATE.

STAFF IN CONFIDENCE

Ref. A082/00029

MR BUTLER

*with
Miss Edmond
Yes. J.*

Following the Prime Minister's meeting at Chequers on 23rd October, I attach a draft Press statement and notes for editors on the appointment of Sir Anthony Parsons. This has been agreed with the Foreign and Commonwealth Secretary, Sir Antony Acland and Sir Anthony Parsons himself.

2. The statement and notes will need to be buttressed with background briefing which presents the appointment as agreed between the Prime Minister and the Foreign and Commonwealth Secretary in the interest of better management of foreign policy and closer co-ordination between 10 Downing Street and the Foreign and Commonwealth Office in that regard.

3. If we can come to a decision fairly soon about a Defence Adviser (on which I am minuting you separately) I should see advantage in announcing both appointments at the same time. If that is not possible, the Prime Minister may want to go ahead soon with the announcement of Sir Anthony Parsons's appointment.

4. I recommend that Sir Anthony Parsons's appointment should be subject to the standard arrangements and conditions for Special Advisers. It is agreed with the Treasury that he should be graded as Second Permanent Secretary, as I gather Alan Walters is. As he is to work three days a week, his salary will be three-fifths of the salary of a full-time Second Permanent Secretary. His total remuneration (salary plus pension) will be limited to that appropriate to the grade in which he retired (Diplomatic Service Grade 1, equivalent to Permanent Secretary). His appointment will cease either with the end of the present Administration; or when there is a General Election, on the day after polling day. If there is no change of Government, it will of course be open to re-appoint him. He will be required not to engage in public or broadcast discussion of matters of party political dispute, or of

current or pending Ministerial consideration of policy, or of his role as Special Adviser and his relationship with the Prime Minister and with the Foreign and Commonwealth Office; and he will be expected to seek the Prime Minister's and the Foreign and Commonwealth Secretary's agreement if he wishes to broadcast, write or speak about historical aspects of foreign affairs.

5. I understand that Sir Anthony Parsons has agreed direct with the Foreign and Commonwealth Secretary and Sir Antony Acland arrangements for his working relationships with the Foreign and Commonwealth Office.

ROBERT ARMSTRONG

ROBERT ARMSTRONG

8th November 1982

DRAFT PRESS STATEMENT

In consultation with the Foreign and Commonwealth Secretary the Prime Minister has appointed Sir Anthony Parsons GCMG to be adviser on foreign affairs with effect from 1st January 1983. Sir Anthony Parsons will work at 10 Downing Street in close co-operation with the Foreign and Commonwealth Office and with other Departments with an interest in foreign affairs.

NOTE FOR EDITORS

1. Both the Prime Minister and the Foreign Secretary place great trust and confidence in the wisdom and experience of Sir Anthony Parsons. There is continuous contact between 10 Downing Street and the Foreign and Commonwealth Office on the formulation of British foreign policy; Sir Anthony Parsons's appointment will help to ensure that that contact is close and effective in the furtherance of the objectives of foreign policy.
2. The appointment will be part-time, on the basis of three days a week. It will carry the grading of Second Permanent Secretary.
3. Sir Anthony Parsons was borne in 1922. He was educated at King's School, Canterbury and Balliol College, Oxford. He joined the forces in 1940; and transferred to the Diplomatic Service in 1952 when he went as Assistant Military Attache to Baghdad. His career in the Diplomatic Service has included spells in a number of posts in the Near and Middle East and in the Gulf; he was British Ambassador in Iran from 1974-79. He served as Counsellor

in the United Kingdom Mission to the United Nations from 1969-71, and as United Kingdom Permanent Representative to the United Nations from 1979-1982. He retired from the Diplomatic Service in July 1982.

Secretary of Defence Affairs

Sir Frank Cooper has offered three candidates for consideration as an Adviser on defence affairs at 13 Downing Street. All are Assistant Secretaries. They are, in alphabetical order:

R J Locking (19)

J W Logge (28)

D W Omond (31)

I attach brief biographies of each.

2. I do not know Michael Logge by sight, but I know the other two only slightly. So I cannot do other than report without comment Sir Frank Cooper's judgement that the right choice would be Michael Logge. All three have Private Office experience: David Omond was the Secretary of State's Private Secretary until recently; Mr Logge's Private Office experience was during 1980-81. Mr Logge may well be the best choice; I think that Mr Locking could not fill a close need.

3. I am sure that any of them would serve the Prime Minister well, and I think that the final choice may need to be made after interviewing the three of them. Perhaps you would like to consult the Prime Minister about that: would she like to see all three herself, or will she be content for you and me to interview the three of them and then to present her with our choice?

4. Whoever is chosen will be the Prime Minister's adviser on defence affairs. He will need to develop the same sort of relationship with the Ministry of Defence as Sir Anthony Parsons will have with the Foreign and Commonwealth Office. No doubt they will in practice work together on issues where foreign and defence policy come together but, thereafter, I suggest, to be formal links: the adviser on defence affairs will not "report to" Sir Anthony Parsons, and will not have access to the Foreign and Commonwealth Office.

Ref. A082/00030

MR BUTLER

Adviser on defence affairs

Sir Frank Cooper has offered three candidates for consideration as an Adviser on defence affairs at 10 Downing Street. All are Assistant Secretaries. They are, in alphabetical order:

R T Jackling (39)

J M Legge (38)

D B Omand (35)

I attach brief biographical notes.

2. I do not know Michael Legge at all, and I know the other two only slightly. So I cannot do other than report without comment Sir Frank Cooper's judgement that the right choice would be Michael Legge. All three have Private Office experience: David Omand was the Secretary of State's Private Secretary until recently; Mr Legge's Private Office experience was eleven years ago. Mr Legge may well be the best choice; I think that Mr Jackling would run him a close second.

3. I am sure that any of them would serve the Prime Minister well, and I think that the final choice may need to be made after interviewing the three of them. Perhaps you would like to consult the Prime Minister about that: would she like to see all three herself, or will she be content for you and me to interview the three of them and then to present her with our choice?

4. Whoever is chosen will be the Prime Minister's Adviser on defence affairs. He will need to develop the same sort of relationship with the Ministry of Defence as Sir Anthony Parsons will have with the Foreign and Commonwealth Office. No doubt they will in practice work together on issues where foreign and defence policy were together; but there should, I suggest, be no formal link: the Adviser on defence affairs will not "work to" Sir Anthony Parsons, and he will not have access to the Foreign and Commonwealth Office.

5. I suggest that we should treat this appointment on the same basis as that of Sir Anthony Parsons, as ceasing either with the end of the present Administration or, when there is a General Election, after polling day. If there is no change of Government, it will of course be open to re-appoint him; and in that event I think that we should think in terms of an appointment to last for about three years.

6. I suggest that this appointment, like Sir Anthony Parsons's, should begin on 1st January 1983.

ROBERT ARMSTRONG

ROBERT ARMSTRONG

8th November 1982

PERSONAL AND CONFIDENTIAL

PRIME MINISTER

TALK WITH SIR ANTHONY PARSONS
AT CHEQUERS ON SATURDAY 23RD OCTOBER

As I mentioned to you, I am bringing Sir Anthony Parsons to Chequers at 6.30 so that you can have an hour with him before Sir Robert Armstrong and Sir Antony Acland arrive at 7.30. John Coles will also come at 6.30, if you do not mind. This note suggests some points you may like to cover.

Terms of the appointment

Sir Anthony Parsons wants to work three days a week. I suggest that the post be graded Second Permanent Secretary, like Professor Walters. The Treasury and MPO would be content with this. I can settle the salary with Sir Anthony Parsons, and so you need not do so; but for your information I have in mind £21,000 (three fifths of the second permanent secretary rate) which is about the maximum Sir Anthony Parsons can earn without abatement of his pension under the Civil Service rules.

I suggest that the appointment should be on similar terms to a special adviser, i.e. it would terminate with the Administration and would be covered by the normal rules applicable to Civil Servants on political activity, broadcasting or writing about matters covered by the job etc. I also suggest that any other appointment Sir Anthony Parsons might want to accept in his remaining time should be subject to a) normal rules governing acceptance of appointments by Permanent Secretaries; b) the additional safeguard that it should not be inconsistent with his role at No 10.

His title might be 'Foreign Affairs Adviser'.

Function

On the model of Alan Walters you might describe the function as being

Proposed Parsons' early warning especially

- to keep a watch on developments, inside the Government and outside it, and alerting you to points in which you might be interested;
- to represent your interest with the FCO and other departments in the formation of policy;
- to act as adviser to you on ~~your ideas and~~ initiatives, including ~~your~~ speeches;
- to advise you on major policy issues.

Subject to Sir Anthony Parsons's own comments, these proposed terms of reference could then be the basis of discussion with Sir Robert Armstrong and Sir Antony Acland at dinner.

Coverage and support

You want advice to cover defence and intelligence as well as foreign affairs. What structure do we need for this? If Sir Anthony Parsons is going to work three days a week, he probably needs a full-time supporter. Should we borrow a Vereker-style Principal from MOD to act as general support to Sir Anthony Parsons and provide expertise on defence? On intelligence, I attach a minute from Sir Robert Armstrong in which he proposes a post-Franks reform of the JIC, including the suggestion that Sir Anthony Parsons should be a member or should be free to attend meetings. Does this cover the point? *No*

Date of starting and of announcement

I know of no reason why Sir Anthony Parsons should not start very soon. You have said to Mr Pym that his appointment will not be announced until after he has seen Sir Anthony Parsons.

Could we aim at an announcement in the latter part of the coming week and Sir Anthony Parsons starting on the following Monday 1 November ?

F.R.B.

22 October 1982



Ref. A09818

PRIME MINISTER

Recent experience has led me to crystallise certain ideas which had been at the back of my mind for changing the intelligence organisation. I have discussed these ideas with Sir Antony Acland and Sir Frank Cooper and with the old and new Chiefs of the Defence Staff, and I think that they will command broad agreement.

2. At a recent private meeting with Lord Franks I told him that I had ideas for changing the intelligence organisation which I should shortly be putting to you. He indicated that this might be an area on which his Committee would wish to comment, and, though he recognised that business must go on, he very much hoped that we should not feel it necessary to make any changes until after the Committee had reported. It seemed to me that it would in any case be prudent not to make changes until after the Committee had reported: not only could we then take account of the Committee's report but it might well be that the changes we had in mind would themselves be an effective response to the Committee's conclusions. Lord Franks was clearly keen that we should not pre-empt those conclusions. I therefore said to him that I did not expect to make changes in the intelligence organisation before the Committee reported. I went on to say that, if for some reason that I could not then foresee we decided to make changes before the Committee reported, I would, before putting them into effect, ask to come and see the Committee and formally tell them what we were proposing to do and why we were proposing to do it. Lord Franks was content to leave it on that basis.

3. The changes which I have in mind are as follows:

- i) I should like to lay on the JIC a more definite responsibility to be alert to and keep watch for developing situations that might threaten British interests. This would be done by adding to the JIC's terms of reference something on the following lines: "to give early warning of developing foreign threats to British interests, whether political, military or economic, and whether direct or indirect".



- ii) The warning responsibility thus laid on the JIC would be laid also on the intelligence assessments staff, who are responsible for preparing draft assessments for the JIC. Each member of the assessments staff would be directly charged with a "watch" responsibility for his own area.
- iii) The chairmanship of the JIC should no longer be held by the Deputy Under Secretary of State, PUSD, Foreign and Commonwealth Office but should be held by an independent person of Deputy Secretary rank in the Cabinet Office.
- iv) There should be consequential changes in the membership of the JIC. In particular, your Foreign Affairs Adviser should be a member (or be entitled to attend whenever he wished, if that was what he preferred). The Foreign and Commonwealth Office should probably be represented by the Political Director or his effective deputy, either instead of or as well as the Deputy Secretary, PUSD.
- v) While the Chairman of the JIC would, for formal purposes and "pay and rations", be a member of the Cabinet Office reporting to me, he would have direct access to you (and of course vice versa).
- vi) The Chairman of the JIC would be equipped with a Staff Officer, to enable the Chairman of the JIC to have a second opinion on the intelligence, to supplement that of the Desk Officers of the assessments staff.
- vii) We should continue to recruit Desk Officers for the assessments staff on secondment from the Foreign and Commonwealth Office and the Ministry of Defence; but tours of duty should normally be not less than three years (rather than two years at present). We should also pursue the possibility of recruiting more members of the assessments staff from the intelligence agencies on a similar basis (we already have a few).
4. Even if the role of the Chairman is expanded in the manner proposed, I do not think that it would be anything like a full time five days a week job.

I therefore think that the right course would be to combine the chairmanship of the JIC with the job of the Intelligence Coordinator (most journalists seem to think that that is already the case). It would be for further consideration whether the Staff Officer whom I have in mind to support the Chairman of the JIC should also support the Intelligence Coordinator on his other functions or whether he might need to have two such Staff Officers. My present inclination is to think that, if we could find the right man - and I think we can - one would be enough; and there would be great virtue in the Intelligence Coordinator being supported by the same Staff Officer over the whole of his functions.

✓ 5. I dare say that you will want to discuss these proposals. If, subject to such discussions, you are ready to approve them in principle, I should like then to work them up in detail, and to have your authority to inform the Franks Committee that this is what we propose to do, once they have reported and subject to anything which they may say in their report. It may well be that the Committee will feel able to endorse proposals of this kind as meeting the potential difficulties which they may have identified.

REA

ROBERT ARMSTRONG

21st October 1982

CONFIDENTIAL

NOTE FOR THE RECORD

The Foreign Secretary called on the Prime Minister at 10.30 on Tuesday 19 October. I was present.

The Foreign Secretary said that he had reflected over the weekend about the Prime Minister's desire to ask Sir Anthony Parsons to be her foreign affairs adviser in 10 Downing Street. He accepted that, if she felt that she needed extra advice she should have it, and he did not therefore wish to object to an approach being made to Sir Anthony Parsons. He attached importance, however, to what the Prime Minister had said about the way in which Sir Anthony Parsons would work with the Foreign and Commonwealth Office, and he would like to see Sir Anthony Parsons after the Prime Minister had talked to him and would also like to arrange for Sir Antony Acland to see him. He remained concerned that Sir Anthony Parsons should act as an adviser rather than as an operator in his own right in the foreign affairs field. He assumed that he would be covered by the normal civil service rules as regards broadcasting or writing on his work, and, while he recognised that foreign ambassadors in London could not be prevented from making social contact with Sir Anthony Parsons, he thought it of great importance that Sir Anthony should keep in close touch with the Foreign and Commonwealth Office about such contacts and do his utmost to prevent their being exploited to cause differences between the Prime Minister and the Foreign Secretary.

The Prime Minister said that she would now arrange to see Sir Anthony Parsons and was quite content that the Foreign Secretary and Sir Antony Acland should also talk to him. She asked me to arrange for him to come to 10 Downing Street later in the week or to Chequers over the weekend.

The rest of the conversation between the Prime Minister and the Foreign Secretary then covered other current foreign affairs.

F.F.R.B

20 October 1982

CONFIDENTIAL

CONFIDENTIAL

NOTE FOR THE RECORD

The Foreign Secretary called on the Prime Minister at his request at 3.30 pm in the House of Commons on Wednesday 20 October. He said that he had been much concerned by the article in The Standard on the previous evening. It was clear to him that such an article would not have been written without guidance from 10 Downing Street. It presented the appointment of the foreign affairs adviser as a slap in the face for himself and the Foreign Office. While he could live with this himself, the damage done to the Foreign Office was very serious. The article was an example of what he had feared about the presentation of such an appointment. He thought that it was now necessary for the announcement of any appointment to be held until it could be distanced some way from this article.

The Prime Minister said that she had herself seen Mr Shrimpsley, the author of the article, on the previous Friday. A press officer had been present with her throughout the interview. Mr Shrimpsley had raised the question of the enlargement of No 10, and she had referred to the appointment of one or two more people to help on the foreign affairs side, working with the Foreign and Commonwealth Office as Professor Walters worked with the Treasury. There was nothing in what she had said which could justify the presentation of such an appointment as a slight to the Foreign Secretary or the Foreign Office and in fact the picture at the head of the article had shown her applauding the Foreign Secretary at the Party Conference. Too much significance should not be attached to this article, which was one of a series on this subject. It would be wrong to be prevented by such articles from going ahead with what was necessary.

The Foreign Secretary said that the Prime Minister would understand how the article had seemed from his point of view. He was not in favour of the appointment of a foreign affairs adviser within No 10, and his position was well known. He had,

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however, gone along with it because the Prime Minister felt she needed it. But this article had ensured that any announcement would be presented as a slap in the face for himself and the Foreign and Commonwealth Office.

The Prime Minister agreed that the presentation of the appointment would need careful consideration, but she could not afford to delay going ahead with the appointment. Her need for help on the foreign affairs side within No 10 was immediate and urgent. She had now contacted Sir Anthony Parsons, and was hoping to see him over the weekend. He had been invited to Chequers, and there was a better chance than at No 10 that this meeting would avoid publicity.

The Foreign Secretary said that he continued to have misgivings over the timing of the announcement. He accepted that, since Sir Anthony Parsons had been invited to see the Prime Minister, he should do so, and he would himself try to see Sir Anthony Parsons when he returned to this country in the following week. He hoped that any announcement would be made before then, and that the terms of an announcement could be considered very carefully.

20 October 1982

CONFIDENTIAL



10 DOWNING STREET

John Coler

Please see the attached.

I propose to keep it in my
cupboard for the time being
and not show it to anyone
else.

F. R. A.

CONFIDENTIAL

NOTE FOR THE RECORD

NOTE OF A CONVERSATION BETWEEN THE PRIME MINISTER AND
THE FOREIGN AND COMMONWEALTH SECRETARY ON FRIDAY 15 OCTOBER

The Prime Minister had a talk with Mr Pym on Friday 15 October about her need for more advice on foreign, defence and intelligence matters within her Office. I was present.

The Prime Minister said that her experience over the last three years, culminating in the Falklands operation, had demonstrated to her that she needed help within her Office on foreign, defence and intelligence matters similar to the help which she received on economic matters from Professor Walters.

The Foreign Secretary said that he found it difficult to understand why she had not consulted him previously on this matter, especially in view of his declared opposition to a foreign affairs unit. If the Prime Minister did not have sufficient advice, arrangements should be made for her to have it, but he was concerned that this should not be in a form which would create divisions between her and himself. He was already disturbed by reports of such divisions. He had hitherto had no idea of what precisely the Prime Minister had in mind.

The Prime Minister said that she was surprised that anyone should contest her wish to have more support on these matters within her own Office. She had in mind asking Sir Anthony Parsons to help her on foreign affairs and someone else, possibly Sir Frank Cooper, to help with defence and intelligence. They would be special advisers, and could not be described as a "unit".

The Foreign Secretary said that he accepted that something had to be done about intelligence, designed to ensure that action was taken on reports and assessments: he regarded this as a separate matter. In the field of foreign affairs he was

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opposed to the appointment of someone as eminent as Sir Anthony Parsons who would provide an alternative focus for the attention of the diplomatic community and whose appointment would therefore create differences between No 10 and the Foreign Office. He had consulted his Foreign Office Ministers on a personal basis, and they shared his view.

The Prime Minister said that she needed someone for whom she had a high personal regard and who would carry the same weight on foreign affairs as Professor Walters did on the economy. She had thought that Sir Anthony Parsons would be more welcomed by the Foreign Office than someone they knew less well. An alternative would be to draw on her present contacts from outside, but she thought that would be more difficult for the Foreign Office. She feared that Sir Anthony Parsons might have been discouraged by the FCO from accepting the appointment; but she would like to see him in the following week and discuss it with him. She did not want differences to be created between herself and Mr Pym and thought it a good idea that he should follow Lord Carrington's practice of coming in for informal talks, say, once a fortnight, or of coming to her room in the House of Commons.

The Foreign Secretary said that it was helpful to him to have been given an idea of what the Prime Minister had in mind. He would now like to think about what she had said and how her needs might be met. The Prime Minister interjected that it would be unacceptable to have someone who was not part of No 10 and not directly answerable to her. Mr Pym said that he accepted that and had not suggested the contrary. But he would like the weekend to reflect on what the Prime Minister had proposed and would then come back to her with his comments.

F.R.B.

18 October 1982

CONFIDENTIAL



file

10 DOWNING STREET

From the Principal Private Secretary

15 October 1982

I said that I would record the impressions I gave you on a personal basis about the role played by Alan Walters on economic affairs.

He to her. Alan keeps a watch on economic developments, both within Government and outside it, and alerts the Prime Minister to things in which he thinks that she might be interested. Within Government, he does this by maintaining close contact with the Treasury (which they facilitate) both at official level and by attending meetings with the Chancellor on subjects in which he is interested. The Private Secretaries here also alert him to papers coming in to the Prime Minister so that he can scrutinise them for points likely to be of interest to her and alert her to them. On submissions from the Treasury and the Bank, he is often able to reassure the Prime Minister about their merits as a result of his earlier involvement described above.

She to him. The Prime Minister very often uses Alan as a sounding board for her ideas. Such ideas will arise from thoughts which occur to her spontaneously, things which other contacts say to her, or items she picks up from the media. By acting as a sounding board, Alan is able to advise her on what points are worth following up. The Prime Minister also values Alan's contribution to her speeches.

In both these capacities, Alan Walters acts as the Prime Minister's adviser, not as an independent operator. The economic policy is still conducted through the Treasury and the Bank of England. But, as I know from my experience both here and in the Treasury, he has contributed significantly to increasing the Prime Minister's confidence in what the Treasury and the Bank are doing.

As regards staff, Alan Walters has only a PA here. But, to help with a specific project - the study on unemployment in which Professor Minford has been involved - we borrow Adrian Smith from you for a

PERSONAL AND CONFIDENTIAL

PRIME MINISTER

FOREIGN AFFAIRS UNIT

Mr Pym sought me out at Brighton to say that he wanted to have a further talk with you about the foreign affairs unit in No 10. He emphasised to me his continued strong opposition to the setting up of such a unit, whomever it consisted of.

I said that you had been expecting to think further about this during the week after the Party Conference.

Mr Pym is abroad until Thursday, but asked me to say to you that he hoped he could have a talk with you before you made any firm decisions. He will be back for Cabinet on Thursday.

How would you like to proceed on this ? Would you like first to have a talk with Sir Robert Armstrong and then a talk further with Mr Pym ?

F.R.B.

8 October 1982

*I have made a firm decision and every day I realise how necessary it is to have a unit
unit
been
strong
see R.
Pym
Dance
not*

Ref. A09398

PRIME MINISTER

Perhaps I should briefly amplify what I mentioned to you this morning about the Foreign Secretary's views on your proposals for a "foreign affairs unit" in No 10, with Sir Anthony Parsons.

2. The Foreign Secretary clearly believes, very strongly, that what is proposed would be very damaging to the morale of the diplomatic service (already bruised) - and he probably thinks that it would be seen as a "slap in the face" to himself. He thinks that it would be divisive, as between you and him; the Press, and the foreign diplomats, would be looking for differences and seeking to exploit them. It would affect the conduct of international relations, in that foreign ambassadors and others would go to Tony Parsons as well as, or even instead of, himself and the Foreign Office. However much you were determined to keep Tony Parsons to an advisory role and away from the day-to-day conduct of international relations, he could not (being who he is and what he would be) avoid being drawn in. We should thus (it is feared) drift inexorably, and perhaps quite fast, to a situation like that which prevailed (and was so damaging) in the United States when Kissinger and Brzezinski were at the White House, with open divisions between No 10 and the Foreign Office at the top of the foreign policy-making process, and separate operations being pursued.

3. I think that the Foreign Secretary fears these dangers, whether the unit is headed by somebody with the standing of Tony Parsons or by somebody of less exalted value and standing on the lines of the minute I put to you last month. Clearly the dangers would be diminished, and Foreign Office susceptibilities less outraged, if the head of the unit was somebody less exalted and conspicuous, and less of a visible challenge. Hence the suggestion that you might keep the unit itself at a middle level, but make sure that its head had access to Tony Parsons as a consultant - and no doubt to others similarly.

REA

ROBERT ARMSTRONG

~~October~~
8 September 1982



10 DOWNING STREET

6
See

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister had a short word with the Foreign Secretary this evening about the proposed Foreign Affairs Unit.

The Foreign Secretary said, as predicted in your note of 8 September (AO9378), that he was strongly against the proposition and made most of the points which you forecast. The Foreign Secretary said that he would like to discuss it further at a more convenient time. The Prime Minister said that she would be willing to discuss the shape of the Unit further but was adamant that she needed one: the Foreign Secretary accepted that it was ultimately a decision for her to take but reiterated his opposition.

E. E. R. BUTLER

8 September 1982

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SECRET AND PERSONAL

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Ref. A09338

Note :-

MR. BUTLER


Warned Mr. Mowar that if
No. 10 Press Office were approached
about this they should deny any
knowledge.

FERB

20.8

I think that you should be aware that
Mr. David Scan of the Londoner's Diary, New
Standard, approached Sir Frank Cooper's office
yesterday and asked if Sir Frank could talk about an
"advisory group to the Prime Minister" consisting of
himself, Sir Anthony Parsons and Sir Antony Duff.

2. Sir Frank is on leave at present and although
he has been informed of this approach neither his
office nor Sir Frank personally propose to return the
call and if the approach is repeated his office intend
simply to say that Sir Frank has no comment to make
at all.



R. P. HATFIELD

25th August, 1982

SECRET AND PERSONAL

Ref: A09270



Prime Minister 1/1

Content in general with the way Sir Robert is moving?

SECRET AND PERSONAL

PRIME MINISTER

In particular have you any initial reaction to his suggestion at paragraph 4?

wh 4/10

As I have indicated to you, I am contemplating certain changes in the working of the Joint Intelligence Committee (JIC), with a view to -

Agreed

- (i) improving its capacity to provide adequate warning of developing threats to the national interest;
- (ii) increasing the element of independent judgment - independent (that is to say) of the Foreign and Commonwealth Office and the Ministry of Defence - on the assessment of intelligence and on the significance of that assessment.

This seems to me a change without much difference except that one that it increases the already large no. of people who would do this

As to the first point, we are discussing an addition to the terms of reference of the JIC which would expressly require it to give early warning of developing foreign threats to British interests, whether political, military or economic. Each member of the Assessments Staff would also be directly charged with a "watch" responsibility for the geographical area with which he was concerned; and one member of the Assessments Staff might be designated as a Warning Officer to keep his attention on all problem areas, to query the perceptions of his colleagues in the Assessments Staff and in other Departments, and generally to ask the awkward questions. The flows of information to the JIC and to the Assessments Staff would be arranged and as necessary increased to make this possible.

Where does he come from?

3. On the second point, I have in mind to propose that, instead of the Chairman of the JIC being provided by the Foreign and Commonwealth Office, the Intelligence Co-ordinator should become the Chairman. He would be supported by a staff officer, who could well be the Warning Officer referred to in paragraph 2 of this note. The Deputy Under Secretary of State, Foreign and Commonwealth Office, who is now the Chairman might become one of two Deputy Chairmen, the other being the Director General of Intelligence, Ministry of Defence. At the same time we should add to the membership of the JIC the Head of the Planning Staff in the Foreign and Commonwealth Office



SECRET AND PERSONAL

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and a representative of the Central Staff in the Ministry of Defence. In order to increase the element of independent judgment, I would also add a member of the Cabinet Office defence and overseas policy secretariat to the JIC, and would seek to strengthen the working links between that secretariat and the Assessments Staff.

4. It would be for consideration whether the head of the Foreign Affairs Policy Unit in 10 Downing Street should also be invited to attend; he would obviously need to be in close touch with the intelligence machine, but it might be preferable for him not to become a member of the JIC and thus in some degree committed to its assessments.

5. It will be necessary to discuss these changes with the various people concerned, and that is being put in hand. But the process will not be completed until we are all back in September, and I wanted to give you this advance warning of the way my mind is moving.

Robert Armstrong

9th August 1982

Personal and confidential

Prime Minister

I attach a submission on the Foreign Policy Unit.

The Foreign and Commonwealth Secretary is showing symptoms of being very sensitive on this. As you know, he is aware that something is in the wind — I believe Tony Parsons has talked to Peter Carington, though not directly to the Foreign Secretary. I am sure that time spent by you in taking him along with what is proposed and reassuring him would be time well spent.

Personal and confidential

If you are content with what is proposed in this submission, the next step (as set out in para. 9) will be for me to talk to Anthony Acland. He would be bound to seek the Foreign Secretary's agreement before making George Walden (or any one else from the FCO) available; and that would provide a natural opportunity for bringing the Foreign Secretary in to the discussion.

RA

6. viii. 82

Ref. A09228

CABINET OFFICE
PRIME MINISTER

6 AUG 1982

At the end of your meeting on 30th July you asked me, in conjunction with Sir Frank Cooper, Mr. Sparrow and Mr. Mount, to develop the concept of a new policy unit in 10 Downing Street on foreign affairs, defence and intelligence matters.

2. Mr. Mount has not been available, but I have discussed this with Sir Frank Cooper, Mr. Sparrow and Mr. Whitmore. What follows is the agreed outcome of that discussion.

3. We propose a unit of, initially, three or four people, headed by a suitable Under Secretary (or equivalent) from the Foreign and Commonwealth Office. The head of the unit would be expected not only to be in overall charge of the unit's direction, activities and advice to you and to maintain contacts with the Foreign and Commonwealth Office and other relevant Departments in Whitehall but also to get out and establish contacts with people outside the official machine to whose advice and views you wanted to have access. I envisage that there would be a small group of people, like Lord Thomas and Professor Howard, with whom he would be in regular touch.

4. A suitable person for this work might be Mr. George Walden.

5. He would have two or three people in support: at Assistant Secretary or experienced Principal level. The grading would be less important than the quality and suitability of the people.

6. We should not go too firm either on numbers or on roles or on names until the head of the unit has been identified and has had an opportunity to form his own views. But what we envisage is:

- (1) An Assistant Secretary or Principal from the Ministry of Defence, to cover defence policy. A suitable candidate for this might be Mr. Michael Legge, who has recently been spending some time with the Rand Corporation at their request, and is well briefed on nuclear matters and on disarmament.

- (2) Somebody brought in from outside, probably from an international bank, on secondment. The idea would be to have somebody used to dealing with handling foreign intelligence in another context, who would in this unit be specially charged with keeping intelligence reports and assessments under review and maintaining close contact with the intelligence assessments staff and the JIC. This person would of course have to be cleared for handling highly classified material. There is some risk of embarrassment here, because whoever it was would eventually go back to his or her outside employment with a lot of extremely sensitive information not available to his or her counterparts in competing institutions. But we think that that is a risk which we have to run.
- (3) The third of the supporting team might come from the Foreign and Commonwealth Office; but another possibility would be to take someone from another Department with relevant experience: I have particularly in mind a highly intelligent Assistant Secretary in the Treasury, Andrew Edwards, who profited from a year in the Royal College of Defence Studies to make himself expert in questions of nuclear strategy, and is very well versed in the complications of the European Community budget.

7. We do not propose that Sir Anthony Parsons should be a member of the unit. If he were, he would clearly have to head it; and that would bring us into the problems of appearing to set up a separate centre of activity in foreign affairs, in some visible sense set off against and competing with the Foreign and Commonwealth Office. But we envisage that Sir Anthony Parsons would be one of the group of people with whom the head of the unit would be in regular contact (there could well be others, such as Sir Nicholas Henderson), and in the light of experience we might want to suggest that the relationship should be formalised by appointing him as a part-time consultant or adviser.

8. The decision to establish the unit would very quickly become known, even if it was not formally announced. It would be very important to make it clear that the unit was purely advisory and had no executive, operational or diplomatic functions.

9. You may like to discuss this again before I take the matter any further. If you are in general content that we should go ahead on these lines, the next step will be to identify and secure a suitable head of the unit; I should need to discuss this with Sir Antony Acland.

10. I am sending copies of this minute to Sir Frank Cooper and Mr. Sparrow.

ROBERT ARMSTRONG

6th August, 1982