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P E Middleton Permanent Secretary

> Stephen Sherbourne Esq 10 Downing Street LONDON SW1

19 December 1983

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Jean Stephen,

Thank you for your letter of 5 December.

I am glad that you suggested that you should get involved in the question of the terms and conditions of Special Avisers. I gather that you, Peter Cropper, David Wolfson and Peter Davis have now had an opportunity to discuss Peter Cropper's ideas and our draft proposals on pay, and that there was general agreement that the proposals represented a sensible way forward.

Joms succes

P E MIDDLETON