

CONFIDENTIAL

PRIME MINISTER

SIR JEFFREY STERLING

You may have seen the headline on later editions of today's "London Daily News" which read "Secret £30m GLC sell off". The sub headline refers to "Thatcher adviser in cut-price deal to buy London sites". The story implies that Town & Country, owned by Sir Jeffrey Sterling, is involved in a major property deal with the London Residuary Body where property is being sold at a disgracefully large discount.

Sir Jeffrey telephoned to say that the story is largely false. He has briefed Lord Goodman and a writ for libel is likely to be issued on Monday. Although the Daily News has toned the story down after protests from Sir Jeffrey, they have continued to run it.

The DOE have confirmed to me that there is a deal involving the London Residuary Body. But the discount is being given because the package brings together plum properties with a fair quantity of duff. The LRB believe that by doing this they can save substantial costs and achieve a sale more quickly.

 (Duty Clerk)  
DAVID NORGROVE

PP

15 May 1987

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