

1.
PRIME MINISTER

The attached minute from Sir Robert Armstrong asks you to agree that he should respond to a summons from the Select Committee on the Treasury and the Civil Service Department to give evidence on 18 June on the role of the CSD.

I think that Sir Robert Armstrong is right in his view that he should not decline the invitation to appear before the Select Committee: if he were to refuse to give evidence, this would lead - as I know from my own experience with the old Expenditure Sub-Committee on Trade and Industry - to a running battle which the Government would probably lose in the end. But if Sir Robert Armstrong does give evidence, I think that he should make it clear to the Select Committee that he does so wholly in a personal capacity, as Sir John Hunt did in 1977, and is in no way representing either your views or those of the Government as a whole. If he does not give evidence on that basis, your position is likely to be misunderstood and the confidential inquiry into the future of the CSD which you have ordered might well be prejudiced.

Do you agree that Sir Robert Armstrong should be allowed to appear before the Select Committee and that he should do so on the basis I have suggested above? *Yes*

If you agree that he should give evidence, do you want to see him before he appears, to discuss in further detail the line he proposes to take? *No*

J.M.S.

21 May 1980

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Ref. A02229

MR. WHITMORE

As you know, the Select Committee on the Treasury and the Civil Service Department is conducting an inquiry into the role of the Civil Service Department in Whitehall, its relationship with the Treasury in the management of the Civil Service and its effectiveness and future - its effectiveness having been called into question in recent weeks. I have been asked to give evidence to the Committee on this subject on Wednesday, 18th June. I understand that this invitation does not foreshadow an investigation by the Committee of the Cabinet Office, but is rather an invitation to me as somebody involved at the centre of Government.

2. In a sense I have no direct standing in this matter, and should prefer not to have to give evidence, particularly when the matter is under review on the Prime Minister's instructions. But I think that it is impossible for me to get out of it, given that Sir John Hunt, when he was Secretary of the Cabinet, gave evidence on exactly this subject to the Select Committee on Expenditure in 1977. Given that precedent, I do not think that I should try to decline the invitation. I should be grateful if you could let me know whether the Prime Minister is content for me to accept it, and to give evidence accordingly.

3. In his evidence to the Select Committee on Expenditure, Sir John Hunt said that his view was that the manpower divisions of the Civil Service Department should be brought together with the public expenditure divisions of the Treasury into a new "Bureau of the Budget", which would be a separate Department from the Treasury, and would be responsible for the control of public expenditure and Government manpower. I shall say that I share Sir John Hunt's view that the manpower divisions of the Civil Service Department should be brought together into one organisation with the public expenditure divisions of the Treasury; but I shall say that I do not share his view that the resulting amalgamation should be in a separate Department, but that I consider that it should be within the Treasury, with a Cabinet Minister (the Chief Secretary) as the Minister in day-to-day charge.

4. I understand that the Committee also propose to summon
Sir Ian Bancroft.



ROBERT ARMSTRONG

21st May, 1980