

Civil Service ^{2.}

PRIME MINISTER

Cabinet is to discuss further reductions in the size of the Civil Service from 13 September.

There has been a fair amount of paper (coupled with leak and speculation) on this. We have not intended to trouble you with most of this until it is brought together for Cabinet discussion.

You should, however, be aware of Lord Soames concern (letter at Flag A) about the response of the Secretary of State for Defence (Flag B) and the Chancellor of the Exchequer (Flag C) to the request to consider options for reductions. Both these make suggestions in the area of 5%, far below the 10% target which Lord Soames has in mind.

MAD

PM has seen

MAD.

August
10 (July) 1979