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1. T/L G see Civil Service 2
2. PRIME MINISTER

To note the Chancellor's proposal for further staff savings, with some effect on trade statistics.

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

20 December, 1979

MAP 20/11

John

FURTHER ACTION TO REDUCE THE SIZE OF THE CIVIL SERVICE: VISIBLE TRADE STATISTICS

I am writing to you, in your capacity as Minister responsible for presenting the trade statistics to Parliament, about one of our options in the current exercise to reduce the size of the Civil Service. After considering the possible alternatives I have identified some 220 posts which could be saved by a further reduction in the Customs and Excise Statistical Office. This would involve a cut of just over 25 per cent in the Office, over and above the reductions already made.

The option would involve accepting a deterioration in the overall accuracy of the monthly overseas visible trade statistics, both in their import and export content, and could lead once again to a substantial degree of under-recording of exports (though Customs would delay as much of the adverse effect as possible until the improved statistical procedure for exports is introduced in 1981). Loss of accuracy might well provoke adverse reactions from the EEC and from our own business community.

It would also be necessary to reduce the degree of detail in which the statistics are presented. There are, however, limitations on the extent to which this can be done in view of our obligations to the EEC.

In addition to the published monthly trade figures, Customs and Excise provide a good deal of detailed statistics to other Government Departments, trade organisations and

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The Rt. Hon. John Nott, M.P.

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individual firms. A major part of this service would have to be discontinued either because the detailed figures would no longer be available or because the Customs would not have sufficient staff available to ensure their accuracy.

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Though these savings will reduce somewhat the accuracy and detail of the statistics on visible trade and reduce the amount of information made available to users, it is my judgement that these savings should be made. This option is, of course, quite separate from the across-the-board review of statistical work in Departments that is to be mounted.

I should be grateful to know that I have your backing (and that of other recipients of this letter) in pressing ahead with it.

I am copying this to Peter Carrington, Keith Joseph, Peter Walker, George Younger, Nicholas Edwards, Humphrey Atkins, David Howell and Norman Fowler, and to the Prime Minister and Christopher Soames for information.

A handwritten signature in black ink, appearing to be 'G. Howe', written over a horizontal line.

(GEOFFREY HOWE)

20 DEC 1979

