



We shall need more than this
MS

1. Mr Alexander
Phds - 18/1
2

2. Pami

BF (6 Nov 80)
16/1/80 18/1/80

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9/2

FCS/80/9

CHIEF SECRETARY TO THE TREASURY

Public Expenditure: FCO (Non-Aid) Programmes

1. As requested by the Prime Minister in her minute of 14 December 1979 I have carried out an examination of FCO expenditure programmes other than Aid which we are dealing with separately.
2. The reductions imposed on the Diplomatic Service by the first round of cuts and Christopher Soames' manpower exercise lead me to the conclusion that further cuts would result in a reduction of activities to a level I am unwilling to contemplate. When the cuts already agreed take full effect the FCO and our posts abroad will be tautly stretched: further reductions could seriously damage our ability to protect and maintain our interests.
3. I shall shortly be writing to colleagues both to propose ways in which the economies already required of the BBC External Services for 1981/82 to 1983/84 could be effected and also to bring the interdepartmental review of the British Council to an agreed conclusion.
4. There is scope for a small cut in the provision of our subscriptions to international organisations about which Ian Gilmour wrote to Geoffrey Howe on 29 November 1979. For the years 1981/82 to 1983/84 I offer the following savings:

| 1981/82 | 1982/83 | 1983/84 |
|---------|---------|---------|
| £m | £m | £m |
| 1.5 | 1.5 | .6 |

If this is agreed I suggest our officials have an early meeting to work out the details.

5. I am sending a copy of this minute to the Prime Minister.

C

Foreign and Commonwealth Office

(CARRINGTON)

8 January 1980

- 8 JAN 1980

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