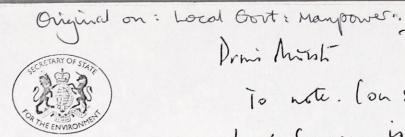
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Drain Mish To note. (on x, Lord Somes is expected to chalate a paper next week)

PRIME MINISTER

72 "15

MANPOWER

We shall be discussing shortly in Cabinet the Lord President's proposals for reductions in civil service manpower.

I believe it desirable to encourage the same restraint in local government. We have not the powers to enforce a rigid freeze on local government recruitment; but I am sure we must be prepared to give local authorities clear guidance about what we expect of them and particularly warn them of the constraints under which they will be operating in the future.

I hope we can have a word together in Cabinet about this when we next discuss civil service manpower and in the meantime T. have asked my officials to discuss and report to me before then on the implications of such guidance with officials in other Departments likely to be concerned.

I am sending copies of this to our Cabinet colleagues, the Minister of Transport and Sir John Hunt.

hey/4

MH 11 May 1979