



CONFIDENTIAL

~~Receipt in minute~~

#

Pub

Prime Minister 2
To note. (The £2½ m was agreed with the Unit Sec. as part of the FCO's contribution of £13 m cuts in total).

PM/79/84

PRIME MINISTER

Public Expenditure Cuts: 1980/81

1. To help towards achieving expenditure reductions in 1980/81, I undertook to find savings of £2.5 m in the costs of our overseas representation. 5/10
2. I intend to find some of this saving by reducing the number of staff here in the Foreign and Commonwealth Office; but the greater part of the savings, amounting to some £1.8 m, will have to be found from the closure of and reductions in our posts overseas, where most of the expenditure falls. To this end I propose to close or substantially reduce the 24 subordinate Posts listed in the attached annex.
3. Closures and reductions on this scale - affecting about 10% of the total number of Posts that we maintain worldwide - will mean a reduction, in some cases marked, in our ability to provide consular services to British citizens and there will be an effect on our export promotion services to British businessmen. As far as our relations with other governments are concerned, I do not expect that in the majority of cases they will be unduly concerned. In some cases we may be able to soften the political blow by establishing an honorary consulate.
4. I am considering separately with the Treasury when the closures and reductions can be announced. I propose to instruct Heads of Mission in advance of publication to inform, in confidence, host governments of our intentions.
5. I am copying this minute to the Chancellor of the Exchequer, the Secretaries of State for Trade and Industry and to the Lord President. A copy also goes to the Paymaster General in view of his interest in publicity; and one to Sir John Hunt.

C

(CARRINGTON)

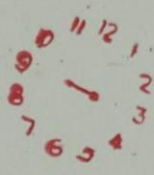
Foreign and Commonwealth Office

2 October 1979

SECRET



3 OCT 1979



SUBORDINATE POSTS PROPOSED FOR CLOSURE

Adelaide
Basle
Calais
Durban⁺
Gothenburg⁺
Ibadan
Innsbruck
Madras⁺
Malmo
Ostend
Palermo
Philadelphia
Rotterdam
St Louis
Salvador (Brazil)
Strasbourg (Consulate General)
Tangier
Trieste
Winnipeg

SUBORDINATE POSTS WHERE STAFF REDUCTIONS ARE PROPOSED

Los Angeles }
San Francisco }
Seattle }
Detroit
Hanover

Footnotes

⁺ Posts where we are prepared to consider the retention of a few salaried staff.

Honorary consulates (at a cost of £500 each) might be established when a clear need for a very limited presence exists in some other places.