

PRIME MINISTER

At the weekend, you agreed that Lord Soames should announce the new manpower targets, by Department, for 1984.

The Parliamentary answer has not yet been given, to ensure that colleagues were content. We now have strong objections from Peter Walker (Flag A) and Francis Pym (Flag B). Mr Walker argues that the targets will appear arbitrary at this stage, because individual Ministers cannot yet tell their staff sides where the cuts will fall. Mr. Pym argues that the targets are still very much provisional.

I understand that the Chancellor is also very unhappy. He believes that the manpower targets may yet conflict with other targets - in the short term, he may well need more staff both to collect taxes and to borrow money, and he shares the doubts expressed by Mr. Walker about the timing of an announcement.

Given these protests, you may think it better to ask Lord Soames to hold back. If he can persuade colleagues of his case, he can still make the announcement early in the new session without losing anything. Agree?

MAJ      Yes      not

12 November 1980