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Summary*

10 DOWNING STREET

From the Principal Private Secretary

26 November 1980

Dear Bonni,

In his minute of 11 November your Secretary of State referred to the relationship between GCHQ and the Ministry of Defence's target in the Civil Service manpower reductions exercise. This was also mentioned in Jim Buckley's letter of 19 November.

The Prime Minister has noted that the Ministry of Defence target allows for a reduction of over 1,000 posts in the GCHQ staff included in Ministry of Defence manpower figures, as compared with 1979. She thinks that it is unlikely that it will be possible to achieve such a reduction without unacceptable damage to our capacity for intelligence collection. She understands, however, that there is to be a review, and she takes the view that, for the purposes of the Lord President's announcement on Departmental targets in the near future, there is no alternative to showing the Ministry of Defence target as proposed. That target is in any case, as your Secretary of State has pointed out, a target for which he is aiming, not an absolutely firm commitment. It is not at this stage anything like a precise figure, and it will clearly be subject to refinements and variations in the coming three years.

No doubt the review will also cover the position of the GCHQ posts included in the Foreign and Commonwealth Office figures.

I am sending copies of this letter to George Walden (FCO), John Wiggins (Treasury), Jim Buckley (CSD) and David Wright (Cabinet Office).

Yours sincerely,

Alison Williams

B.M. Norbury, Esq.,
Ministry of Defence.

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