

PRIME MINISTER

The Organisation of the Treasury and CSD

As you know, the Select Committee on the Treasury and Civil Service published their report yesterday. On the main issue, it comes down against a merger of the Treasury and CSD. The attached minute from Sir Ian Bancroft, which you saw yesterday as part of your Questions briefing, summarises the main points of the report.

There are two questions to be settled immediately. The first is whether you wish to announce next week, as Sir Ian Bancroft suggests, that you have decided against the merger. I think myself that there is everything to be said for making an early announcement and so ending speculation. If you agree, you have a choice between doing it by a Written Answer or by getting someone to raise the matter during one of your Question times next week. A Written Answer is of course the surer way of doing it.

Second, do you want a meeting with the Chancellor, the Lord President and the usual officials before you make the announcement? At your last meeting with them you virtually decided against the merger, but you left the door very slightly ajar so that Sir Derek Rayner could return to the charge, if he wanted to. He has not in fact done so. I doubt whether you need another meeting. Nonetheless, even if you take the same view, you may just wish me to check with the Chancellor, Lord President and Sir Derek Rayner that none of them wants a meeting. Agree?

*AWH*

12 December 1980

*Richard du Cann raised the matter at Business Council on Thursday. He wants a debate before decision. I don't think he can respond to the report quite so quickly as suggested.*