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10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

I have shown your minute A05556 of 17 September to the Prime Minister, and she has decided that Mr. Howell should continue to be a member of the Ministerial Committee on Economic Strategy.

She would be grateful if you would make the necessary arrangements.

**C. A. WHITMORE**

18 September 1981

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Prime Minister.

I think Mr Howell should remain a member of E. After all, the main reason for keeping him in the Cabinet was that he is a voice on your side. He can make that voice heard in E, which is where it will count more than anywhere else except Cabinet itself. All

Ref. A05556

MR. WHITMORE

In my minute of 14th September I made recommendations for changes in the membership of the Ministerial Committee on Economic Strategy (E); in your minute of 15th September you told me that the Prime Minister had approved the changes, together with the addition of the Paymaster General.

2. I did not include the Secretary of State for Transport in the list, because (despite representations) his predecessor was not a full member but was invited only when his Departmental interests were involved in the subject to be discussed.

3. Mr. Howell is clearly very much hoping that he may continue to be a full member of E. He has been a member of it, as Secretary of State for Energy, since the formation of the Government; and he feels that his qualifications, experience, and interests going beyond Departmental matters, would enable him to make a continuing contribution.

4. I have no doubt that there is also an element of amour propre about it; and the effects of exclusion upon his morale will be intensified, if he learns that Sir Keith Joseph and Mr. Prior have been kept on while he has not.

5. The addition of Mr. Howell would make an already large Committee (15) even larger. But this is a double-edged argument: once the Committee is as large as 15 members, one more does not really make very much difference.

6. I suppose that we could think in terms of a kind of compromise, whereby Mr. Howell would not become a full member of the Committee but he would receive all its papers and we would interpret liberally the criterion of "Departmental interests" in deciding whether he should be invited. I do not think that this would really be a very satisfactory compromise: it would not satisfy him, and it would make his attendance dependent upon our initiative and the Prime Minister's consent. So it would not be very much of a face-saver for him, and I think that it would be better to say either Yes or No.

7. I should be grateful for instructions.

REA

ROBERT ARMSTRONG

Yes. If we have a very large committee - there is little point in that committee's doing anything. Cabinet

17th September, 1981