

1
Prime Minister.

I think course a. below is the right one.
The exercise needs a yardstick if it is to bite.

1. MR WHITMORE *If you agree, may we put the matter on a*
2. PRIME MINISTER *convenient Cabinet agenda?*

With that thanks of Ministers
Chain of Command

4. xi.

of course - it's worth going through

Prime Minister (h) mt

Janet Young's minute at 'A' reports on the reactions of departmental Ministers to Lord Soames' proposals for handling the Wardale Report.

All Ministers have agreed that their open-structure posts should be reviewed against the principles in the Wardale Report, and that the report itself should be published, along with the Government's response.

However, quite a number of Ministers see difficulties with the yardstick of a 35 per cent reduction. Sir Keith Joseph, John Nott, Peter Walker, David Howell, the Lord Chancellor, and Norman Tebbitt, are in this camp. The letters from Mr. Nott and the Lord Chancellor at 'B' put the arguments clearly. They feel a 35 per cent yardstick will inevitably be seen as a target; that such a target is arbitrary; that it will be twice the reduction set for the Civil Service as a whole; and that it will be seriously damaging to morale in the senior Civil Service, just as we enter the new pay round.

Janet Young suggests that in view of this concern, there should be collective discussion of the Government's response to the Wardale Report before it is published. Sir Robert Armstrong advises that Cabinet would be the only suitable place for such discussion.

There appear to be two options:-

/a)

- a) To stick to the 35 per cent yardstick, and to explain its status carefully in the Government's published response. This is what Lady Young proposes, and you will need to seek agreement in Cabinet to this course.

- b) To drop the 35 per cent yardstick, and to rely on Ministers to review their open-structure posts rigorously. If you decide on this course I doubt if collective discussion is necessary.

Which course do you wish to pursue?

CWBR

3 November 1981