



Prime Minister

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MR. WHITMORE

A few thoughts on paper before the Prime Minister's meeting on Friday 30th July at 10.00 am.

2. I take it that what the Prime Minister would like is:

- (i) to have sources of advice and briefing to supplement what No. 10 gets from Departments;
- (ii) to have additional pairs of eyes and ears to forewarn her of problems coming up and thus to enable her to intervene (if she needs) earlier than at present.

3. This can be provided either by some enlargement and strengthening of the Prime Minister's office, or by making more use of and strengthening the Departments already under the Prime Minister's control - notably the Cabinet Office, including the CPRS.

4. The former course would carry some political risks. Some at least of the Prime Minister's colleagues would see an enlargement of the Prime Minister's office as an extension of Prime Ministerial power and capacity to interfere, and at least a threat of erosion of their own responsibilities; and the larger and more visible it was, the more they would fear it. The Prime Minister is a much better judge of the political risks than I am. But I have become aware that Richard Ryder's article in the Daily Telegraph has alerted some of her colleagues to the political risks and the constitutional implications of a "Prime Minister's Department". I do not think that this would apply to an enlargement of the Policy Unit; but she would run into trouble with anything that looked like an encroachment on the executive or Parliamentary responsibilities of Departmental Ministers.

5. The risk would be especially great in the field of foreign and defence affairs. The present Foreign and Commonwealth Secretary is on the record with critical views about the Washington set-up and the dangers and disadvantages of having a National Security Council in the White House with a Kissinger or Brzezinski-type figure, over against the State Department. I think that we should live greatly to regret the creation of a situation like that over here: it could create



an appearance of incoherence and inconsistency in Government which would be constantly probed by the media and exploited by foreigners, to our disadvantage and discomfiture. If we looked like going down that road, I suspect that the Prime Minister would run into problems with the Foreign and Commonwealth Secretary.

attached — 6. In the minute I sent you last autumn I outlined a possible way of providing what the Prime Minister needs from the Cabinet Office. Doing it that way would minimise the political risk, because we should be providing what the Prime Minister needed without major visible institutional change or upheaval. I think that the Prime Minister does not make as much use as she could of what is available in the Cabinet Office, including the CPRS; indeed, I am not sure whether she realises the extent to which both the Cabinet Office and the Management and Personnel Office are her Departments. To provide what she wants by these means would, however, mean changes in working relationships between No. 10 and the Cabinet Office, and between the Cabinet Office and Departments, of the kind which I indicated in that minute. It still remains my view that we could satisfactorily provide what the Prime Minister wants in that way, and that we should make the attempt to do so before we conclude that it cannot be done like that.

7. In this connection I should say that recent events have revived in my mind thoughts which I first had shortly after arriving in the Cabinet Office but did not then take further. I think that the Cabinet Office could well make a more positive and co-ordinated contribution to foreign and defence policy thinking. In particular, the gap between the Foreign and Commonwealth Office and the Ministry of Defence seems to me significantly wider now than it was in the 1970s; and a stronger central capacity could help to narrow and bridge that gap. This leads me to envisage the following changes:

(1) At present the defence and oversea policy secretariat and the intelligence assessment staff, though both in the Cabinet Office, are separate lines of command. We should bring them under one head, and arrange for them to work more closely together. The combined staffs would have the capacity not just to service Committees and provide assessments but also to contribute positively to the formulation of policy.



(2) The head of the combined defence and oversea policy secretariat and assessment staff should take over the chairmanship of the Joint Intelligence Committee.

8. In this way we could ensure that the assessments staff, while still policy-oriented and still providing a collective service, was under clearer direction from the centre.

9. I would leave the Intelligence Co-ordinator separate, reporting direct to me, to continue to co-ordinate the activities and resources of the intelligence agencies.

10. The effectiveness of such a rearrangement would depend crucially on the quality and leadership of the head of the combined defence and oversea policy secretariat and assessment staff, who would in practice be reporting direct to the Prime Minister. We should have to consider the grading of the post, and whether it should subsume or be additional to the present head of the defence and oversea policy secretariat. The value of this arrangement to the Prime Minister would depend on the development of the right working relationship with No. 10.

11. All this would require more detailed working out than I have had time to give it. But I would gladly do more work on it, if the Prime Minister thought that that would be useful.

12. As to the CPRS, its head should clearly continue to report direct to the Prime Minister, as he already does. I think that the Prime Minister could make more use than she now does of the CPRS (and indeed of the economic secretariat in the Cabinet Office) as a source of advice and briefing. But I am sure that it would weaken the effectiveness of the CPRS in relation to the rest of the Government machine to move it formally out of the Cabinet Office into the Prime Minister's office. It depends for that effectiveness partly upon its having become accepted as being a source of independent advice.

ROBERT ARMSTRONG

29th July, 1982

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PRIME MINISTER

PRIME MINISTER'S DEPARTMENT

You asked me to set up a meeting with the following to discuss the question of strengthening your Office:-

Chancellor of the Duchy of Lancaster
Sir Robert Armstrong
Sir Frank Cooper
Sir Kenneth Berrill
Mr. Sparrow
Mr. Mount

The meeting has been arranged for Friday, 30 July at 1000 hours.

JWJ.

Handley on MS

26 July 1982

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