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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on

TUESDAY 18 MARCH 1980

at 10.30 am

PRESENT

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon William Whitelaw MP
Secretary of State for the Home Department

The Rt Hon Lord Hailsham
Lord Chancellor

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer

The Rt Hon Sir Keith Joseph MP
Secretary of State for Industry

The Rt Hon Francis Pym MP
Secretary of State for Defence

The Rt Hon Lord Soames
Lord President of the Council

The Rt Hon James Prior MP
Secretary of State for Employment

The Rt Hon Sir Ian Gilmour MP
Lord Privy Seal

The Rt Hon Peter Walker MP
Minister of Agriculture, Fisheries and Food

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

The Rt Hon Humphrey Atkins MP
Secretary of State for Northern Ireland

The Rt Hon Patrick Jenkin MP
Secretary of State for Social Services

The Rt Hon Norman St John-Stevas MP
Chancellor of the Duchy of Lancaster

The Rt Hon John Nott MP
Secretary of State for Trade

The Rt Hon David Howell MP
Secretary of State for Energy

The Rt Hon Mark Carlisle QC MP
Secretary of State for Education and Science

SECRET

The Rt Hon John Biffen MP
Secretary, Treasury

The Rt Hon Angus Maude MP
Paymaster General

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Paymaster General (Items 1 and 2)

The Rt Hon Norman Fowler MP
Minister of Transport

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

Mr Paul Channon MP
Minister of State, Civil Service Department
(Item 5)

Earl Ferrers
Minister of State, Ministry of Agriculture,
Fisheries and Food

SECRETARIAT

Sir Robert Armstrong
Mr P Le Cheminant (Item 5)
Mr P J Harrop (Items 1-4)
Mr R L Wade-Gery (Item 1)
Mr W N Hyde (Items 2 and 3)
Mr A S D Whybrow (Item 5)
Mr J W M Rogers (Item 4)

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1. THE PRIME MINISTER welcomed the Lord President of the Council and on behalf of all his Cabinet colleagues extended warm congratulations on his achievement as Governor of Rhodesia and good wishes both to him and to his wife for the remaining weeks of his mission there.

THE LORD PRESIDENT OF THE COUNCIL said that he had been most grateful for the unfailing support of his colleagues and for the magnificent performance of the British troops and police involved. There had been three major British objectives: to settle the Rhodesian problem and disengage; to avoid damage to British interests elsewhere; and to prevent an extension of Soviet influence in the area. The first two had effectively been achieved. There was a good chance that the third objective could also be met, provided the Government were able to show understanding and imagination in their approach to the geopolitical and financial issues involved. Mr Mugabe might be labelled a Marxist, but he was not behaving like one. He saw that his country needed the private sector and needed the whites. He would be subjected to pressures for change from other African States and from his own supporters; but the pace of Africanisation had been so slow hitherto that he would have much initial scope for extending it without serious damage to other interests. He did not want to fall under Soviet influence. The country desperately needed reconstruction following the long civil war. The problem was a limited and short-term one. Approximately £550 million would be needed, over a period of about three years. It would be hard to persuade other countries to help unless Britain gave a lead; but if Britain could contribute perhaps a sixth of the total there would be a good prospect of holding later in the year a successful donors' conference in Salisbury which would bring in the United States and Japan as well as the European Community. The West should seize its opportunity, both in Zimbabwe and in Mozambique, where President Machel's outlook was similar to Mr Mugabe's. Private capital would have an important role to play and the City of London should certainly be involved. The role of the Export Credits Guarantee Department, which could be crucial in this context, needed further examination as the Secretary of State for Trade was now aware. Mr Mugabe wished to adhere to the Lomé Convention and was in touch with the European Commission. He was also negotiating secretly with the South Africans for the continuation of the existing arrangements for trade and financial assistance.

The Cabinet -

Took note.

2. The Cabinet considered a memorandum by the Chancellor of the Duchy of Lancaster and the Acting Leader of the House of Lords (Earl Ferrers) (C(80) 22) about the legislative programme for the current Session, and a memorandum by the Lord Chancellor (C(80) 21) recommending the introduction of the Contempt of Court Bill.

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that the Government were making reasonable progress with what the Cabinet had always recognised would be a heavy programme of legislation. It had been necessary to find time for two additional Bills: the Health Services (Invalid Direction) Bill and the forthcoming Social Security (No 2) Bill. The most serious problems in securing the passage of the whole programme would arise in the House of Lords. The preparation of a number of Bills, including the Films Bill and the Contempt of Court Bill, for which time might have been found earlier, had been delayed. His view, and that of the business managers in both Houses, was that the only Bills that could now be added to the programme were those financial measures which would not require lengthy debate in the Lords. The Coal Industry Bill and the Port of London (Financial Assistance) Bill fell into this category, but neither the Energy Conservation Bill nor the Films Bill did so in their present form. He recognised the importance of the Contempt of Court Bill; but it would gravely prejudice the presentation of the Government's programme as a whole if this Bill, or any other, were now introduced in the knowledge that its chances of becoming law this Session were virtually non-existent.

THE ACTING LEADER OF THE HOUSE OF LORDS confirmed the difficulties facing that House. If Parliament sat until 8 August, as at present envisaged, a further four weeks at least would be needed after the Summer Recess to complete the present programme. There was no leeway for unexpected delays. If further Bills requiring substantial debate in the House of Lords were added to the programme, the Government would risk losing one of the major Bills already introduced.

THE LORD CHANCELLOR said that the Contempt of Court Bill had been promised in The Queen's Speech. It was ready for introduction and would implement the main recommendations of the Phillimore Report of 1974. It would bring the law of contempt into line with the obligations of the European Human Rights Convention as defined by the European Court; and it contained provisions dealing with the increasingly urgent problem of the secrecy of the deliberations of a jury. The introduction of the Bill would be generally welcomed, and a Second Reading debate would help identify the relatively small number of provisions which might prove controversial. He recognised that the chances of the Bill becoming law this Session were not high, and he would be prepared to see the Bill take its chances with others, once it had had a Second Reading. Its introduction would, however, enable advantage to be taken of any unforeseen developments with other Bills affecting the programme. Failure to

introduce the Bill would itself attract criticism of the alleged mismanagement of the legislative programme, and there would be criticism that a Conservative Government was not giving sufficient priority to legislation relevant to the good government of the country.

In discussion the following points were made -

- a. There was general recognition of the importance of the provisions of the Contempt of Court Bill. On the other hand, it was likely to provoke substantial debate in both Houses, and did not have to meet operational or financial deadlines as did other Bills in the programme. It might be preferable, therefore, to indicate now that it would be introduced into the Lords at the beginning of the next Session, when it could be given clear priority. The possibility of publishing a White Paper was not attractive: a Bill was already drafted, and the previous Administration had published a Green Paper - and had been criticised for failing to introduce legislation.
- b. There was general agreement that Bills limited to essential financial provisions could be added to the programme since they would not require lengthy debate in the House of Lords. These Bills included the Coal Industry Bill, the Port of London (Financial Assistance) Bill, which should be ready for introduction shortly, a Bill on the finances of the White Fish Authority and those provisions of the proposed Energy Conservation Bill that altered the statutory supply obligations of the British Gas Corporation. Consideration should be given to combining some or all of these provisions in a single Bill relating to the finances of nationalised industries. Other provisions relating to energy conservation, originally intended for this Session's Energy Conservation Bill, should be considered for inclusion in next Session's programme.
- c. The main purpose of the Films Bill was to reduce the Government commitment to the financing of the film industry; it also included amendments necessary to meet objections raised by the European Commission to the present distribution of the Eady levy. The Bill would attract interest in both Houses but to confine it to strictly financial provisions would not necessarily shorten debate. While a promise of legislation in the following Session might suffice to meet the views of the European Commission, whose agreement had been obtained only after difficult negotiations, the statutory authority for the Eady levy would expire in September unless renewed.

THE PRIME MINISTER, summing up this part of the discussion, said that the main aim must be to secure the major Bills already introduced and the Social Security (No 2) Bill. The Cabinet, while recognising the importance of the Contempt of Court Bill, did not feel that it was now possible to include the measure in the programme for the present Session. The Lord Chancellor could indicate in the House of Lords that the Bill was ready and would be introduced next Session. The Cabinet agreed that only Bills containing essential financial provisions should now be added to the programme. Legislation Committee would need to look again at the Films Bill, taking account of the points made during their discussion.

The Cabinet -

1. Agreed that the Contempt of Court Bill should not be introduced in the current Session.
2. Agreed, in principle, to the addition to the programme of one or more Bills containing provisions relating to the financing of the coal industry, the Port of London and the White Fish Authority and altering the statutory supply obligations of the British Gas Corporation; and invited the Chancellor of the Duchy of Lancaster to consult the other Ministers concerned about the shape of the necessary legislation.
3. Invited Legislation Committee to reconsider the proposed Films Bill, taking account of the points made in discussion.

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that in the second part of their memorandum he and the Acting Leader of the House of Lords had suggested two possible orders of priority for obtaining Royal Assent to major Bills. While the business managers needed to retain flexibility in managing day-to-day business in both Houses, it would be helpful if the Cabinet were to decide which Bills should receive Royal Assent before the Summer Recess and which could be left to complete their passage during the spillover period. He and the Acting Leader of the House of Lords had consulted the Ministers responsible for the Bills concerned and had formed the view that for a combination of operational, financial and political reasons it would be necessary to give priority to the two Social Security Bills, the Transport Bill, the Employment Bill and the Broadcasting Bill. The constraints of the timetable were such that it would then be possible either to secure the Housing Bill and the Tenants' Rights (Scotland) Bill before the Summer Recess, leaving the Local Government, Planning and Land (No 2) Bill, the Health Services Bill and the Civil Aviation Bill to be secured in the

spillover or, alternatively, to bring forward the Local Government, Planning and Land (No 2) Bill in the place of the Housing Bill and the Tenants' Rights (Scotland) Bill. The provisions in the Local Government, Planning and Land (No 2) Bill relating to the block grant were opposed by the local authority associations and were likely to be particularly controversial in the House of Lords. The Government had recently been defeated in the Lords on the provisions relating to school transport, and the risk of a defeat on the provisions for a block grant could not be ruled out. That risk might be greater if the Local Government, Planning and Land (No 2) Bill were being debated in the Lords at about the time of the Party Conference. On the other hand, he recognised the strength of the financial and political arguments for securing the passage of the Housing Bill, and the Tenants' Rights (Scotland) Bill with which it should be associated, before the Summer Recess.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that he had no doubt that the Housing Bill should take priority over the Local Government, Planning and Land (No 2) Bill. If the latter did not become law until October, steps would have to be taken to secure earlier statutory backing for the additional borrowing requirements of the New Town Corporations. The block grant was central to the Government's policy towards local authority finance, and Parliament should be left in no doubt that if the provisions relating to the block grant did not become law it would be impracticable to revert to the existing system for the calculation of the Rate Support Grant for 1981-82. Were the relevant clauses to be deleted from the Bill in the House of Lords the Government would have to insist on their being reinstated.

In discussion attention was drawn to the need to secure the early enactment of the Health Services Bill, which would provide legislative backing for the retention of pay beds and for the imposition of cash limits on health authorities. It would also enable the General Practitioners' Finance Corporation to resume making loans. On the other hand, while the Broadcasting Bill would provide statutory backing for the award by the Independent Broadcasting Authority of new Independent Television contracts that had to be signed by 1 January 1981, it might be possible for initial negotiations to be carried out before the Bill became law.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that it was essential for the Housing Bill and the Tenants' Rights (Scotland) Bill, which gave council tenants the right to purchase their houses, to become law before the Summer Recess. They accepted that the Local Government, Planning and Land (No 2) Bill and the Civil Aviation Bill would not be able to become law until the autumn. Time should, however, be found to enable the Health Services Bill to receive Royal Assent before the Summer Recess, even if that meant deferring the passage of the Broadcasting Bill until the autumn should that be necessary.

The Cabinet -

4. Invited the Chancellor of the Duchy of Lancaster and the Acting Leader of the House of Lords to plan the legislative programme for the rest of the Session on the basis that the following Bills needed to be secured before the Summer Recess:

Social Security
 Social Security (No 2)
 Transport
 Employment
 Housing)
 Tenants' Rights (Scotland))
 Health Services

3. THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that the House of Lords had voted by 216 votes to 112 to remove from the Education (No 2) Bill the clauses giving local education authorities powers to make charges for school transport. There would have been a majority against the Government even if 45 Conservative Peers had not joined cross-bench and Opposition Peers in the vote. The House of Lords would almost certainly reach the same decision if asked to consider the issue again; and following the vote in the House of Lords there would be stronger opposition than before in the Commons to any attempt to reinstate the clauses, which could therefore fail or at least put at serious risk the chances of the Bill getting Royal Assent before Easter. He proposed, therefore, that the Government should not seek to reverse the decision of the House of Lords; this should enable the remaining provisions of the Bill to become law by Easter. Local authorities would need to be told of the Government's decision and its implications for their expenditure as soon as possible; and there had been pressure for an early Government statement in the Commons. He proposed, if Cabinet agreed, to make a statement that afternoon. He would indicate that, for 1980-81, local authorities would have to reduce their net expenditure by £20 million in other ways since they would not be able to charge for school transport. He expected, and would be ready to say this in answering Supplementary Questions, that the presumption was that authorities would look for savings elsewhere in their education budgets; it would, however, be open to them to seek economies in other services if they so chose. There would need to be further discussion about the position in later years, where, as the Public Expenditure White Paper to be published on 26 March would show, the Government had been planning on charges for school transport rising to £50 million.

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed that no attempt should be made to reinstate in the Education (No 2) Bill clauses giving local education authorities powers to charge for school transport. The Secretary of State for Education and Science should announce this decision in a statement in the House of Commons that afternoon, making clear that, for 1980-81, local authorities would have to find equivalent savings elsewhere in their budgets.

The Cabinet -

1. Invited the Secretary of State for Education and Science, in consultation with the Chancellor of the Duchy of Lancaster, to arrange to make a statement in the House of Commons that afternoon on the lines indicated in the Prime Minister's summing up of their discussion.

2. Invited the Secretary of State for Education and Science, in consultation with the Chief Secretary, Treasury, to agree upon what should be said when the White Paper on Public Expenditure was published on 26 March.

4. The Cabinet considered a minute by the Home Secretary to the Prime Minister dated 11 March 1980, recording the outcome of the discussion in Home and Social Affairs Committee on fuel costs and poor consumers.

THE HOME SECRETARY said that Home and Social Affairs Committee had considered the separate proposals of the Chief Secretary, Treasury, and of the Secretaries of State for Social Services and for Energy for assistance to help the poor to meet their fuel bills. There was a large gap between them. The Chief Secretary's proposals would cost £35 million, and those of the Secretaries of State for Social Services and for Energy up to £100 million in a full year. There had been agreement on the proposal to increase Family Income Supplement, which went to the working poor, by a further £1 a week, at a cost of some £4 million in a full year. There was also agreement that there should be a special uprating next winter of the extra heating additions (EHA) to Supplementary Benefit, but the new rates fell to be considered in the broader context of the overall package. Any scheme of assistance would have wide political implications in the light of the proposed level of fuel price increases; it would need to be charged to the Contingency Reserve, on which there would be other large claims.

THE CHIEF SECRETARY, TREASURY, said that the Contingency Reserve was a small residual of the Government's public expenditure programme. The Cabinet had already identified a number of claims, and there would be others (for instance, aid for Zimbabwe, which the Lord President of the Council had urged in earlier discussion that morning. He recognised, however, the need to give extra help to the poor to meet higher fuel bills, and would be prepared to accept proposals for £50 million a year over and above the carry-forward of the existing scheme. This would provide a reasonable sum in relation to the yield of increased fuel costs attributable to domestic consumers. He was ready to see more generous rates of EHA; but he attached importance to selective assistance, rather than automatic entitlement. EHA should be awarded on the basis of proven need rather than by granting entitlement to whole new categories of people.

THE SECRETARY OF STATE FOR SOCIAL SERVICES said that the proposals put forward by the Chief Secretary, Treasury, would not be sufficient for the Government to be able to argue convincingly that they were taking steps to protect the poor from fuel price increases. The average household spent some 6 per cent of its income on fuel; poor households spent 12 per cent or more. If the Government did not come forward with an acceptable package of support, there was a danger that they would not, in the event, secure the fuel price increases that they had agreed. There was little between him and the Chief Secretary, Treasury, on the enhanced rates of EHA. Presentationally it would be preferable to round the new rates to the nearest 50p to avoid the appearance of an exact calculation. The main issue was whether those among Supplementary Benefit recipients who were especially vulnerable - the elderly, and families with young children - should be entitled to special help. These people would be disproportionately affected by the fuel price increases, which would not be fully reflected in Supplementary Benefit upratings. Special help was available under the current scheme to those over 75 and to families with children under five, but the number of people helped was much less than under the previous Administration's Electricity Discount Scheme. He proposed that the age limit for entitlement to EHA should be reduced to 70; and that Supplementary Benefit households with children under 11 should automatically qualify. Any lesser package would put at risk the Government's wider objectives.

THE SECRETARY OF STATE FOR ENERGY said that he supported the proposals of the Secretary of State for Social Services. The total sum was important. The previous Administration's scheme had cost £45 million in its final year; at today's prices a comparable scheme would cost £65 million. That should be the minimum for any new scheme, if the Government were to provide effective social help for the poor and avoid charges of meanness. There would also be political benefits in raising the rate of grants under the Homes Insulation Scheme to 90 per cent for pensioners at an annual cost of £4 million. It was absurd to use taxpayers' money to buy heat only to see it wasted.

In discussion it was argued that there was a strong case politically for making generous provision for the poor to meet their fuel bills. Major price increases were on the way and the Government must not appear to be callous or indifferent. The profits of the gas industries would be very great and would be difficult to explain. It was essential to have a credible scheme in relation to the expected benefit of £1,800 million to the Public Sector Borrowing Requirement over the next three years. There was rising concern in the House of Commons about the poor, as instanced by the feeling that child benefits should be increased. The Government would have to secure the passage of a number of difficult measures in the next few months, and it would be helpful, therefore, to have a generous fuel costs package. On the other hand, the pressure on the Contingency Reserve would be very great. The Government had failed to secure charges for school transport, rising to £50 million a year; additional aid to Zimbabwe had been canvassed; and bids for £100 million a year were being made for help to the poor with fuel costs. Any assistance had to be seen in the context of the Government's wider fiscal and expenditure policies.

In detailed discussion the following points were made -

- a. It would be preferable to adopt the rates for EHA proposed by the Chief Secretary, Treasury. These would save £9 million in a full year, without much loss to individual recipients.
- b. There was strong support for giving special help to those over 70. The tests for the award of EHA were stiff and there were deserving people who could not meet them or who, from pride or ignorance, would not apply for them.
- c. The Government had previously accepted that Supplementary Benefit households with children under five should be entitled to EHA. There would be criticism if this provision were removed or diminished. The case for assisting households with children between 5 and 11 was less strong. It would be worth considering again whether the scales for 0-4 and 5-10 could not remain separate.
- d. An improvement in the terms of the Homes Insulation Scheme for pensioners would be attractive, provided the cost could be found out of existing programmes. The scheme had in fact been kept alive by the transfer of funds from the housing programme. Further provision from this source could not be expected.

e. A new initiative to improve home insulation and heating for pensioners would be welcome if it provided jobs for the young and longer-term unemployed. The Americans had achieved remarkable improvements in fuel consumption through a similar scheme. No proposals had been costed, however, and it would be necessary to consider whether existing job creation measures could be diverted to this new field.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet had agreed that there should be a new scheme of assistance to help poor consumers with fuel costs, and agreed that the total cost should not exceed £75 million in a full year, including the continuing cost of the existing special scheme. It was also agreed that the greater part of the cost should be accepted as a charge on the Contingency Reserve. There was wide support for automatic assistance to Supplementary Benefit households with people over 70, and a strong feeling that special arrangements should be made for Supplementary Benefit households with children under the age of five. It would be economical to go for the lower level of enhancement of the EHA proposed by the Chief Secretary, Treasury. The Secretary of State for Social Services should reconsider his package of proposals in the light of the Cabinet's discussion, and agree fresh proposals with the Chief Secretary, Treasury, and other Ministers principally concerned. Any improvement in the terms of the Homes Insulation Scheme for pensioners should be found within the total amounts agreed by the Cabinet (either within the total of £75 million to be charged to the Contingency Reserve or by savings on other programmes). The prospects of a new initiative to tackle inefficient home heating and the poor insulation of pensioners' homes, while at the same time providing worthwhile jobs for the young and longer-term unemployed, should be examined by the Ministers concerned; any necessary financial provision would need to be sought from Department of Employment programmes, including the job creation scheme, or from Department of the Environment programmes.

The Cabinet -

1. Invited the Secretary of State for Social Services, in the light of the Cabinet's discussion, to agree with the Chief Secretary, Treasury, and the other Ministers principally concerned revised proposals for helping poor consumers with fuel costs, within a total sum of £75 million in a full year, including the continuing cost of the existing special scheme.

2. Invited the Secretary of State for Energy, in consultation with the Secretary of State for Employment and the Secretary of State for the Environment, to examine a new initiative for improving the insulation and heating of pensioners' homes, and creating worthwhile jobs for the young and longer-term unemployed.

5. The Cabinet considered a memorandum by the Minister of State, Civil Service Department (C(80) 20), about options for dealing with a projected shortfall in the number of Overseas Development Administration (ODA) posts available for dispersal to East Kilbride, and a memorandum by the Secretary of State for Foreign and Commonwealth Affairs (C(80) 19) about the implications of any decision to disperse the ODA's Directorate of Overseas Surveys.

THE MINISTER OF STATE, CIVIL SERVICE DEPARTMENT, said that the reduced dispersal programme agreed by the Cabinet last July had included at least 2,000 posts for Scotland, to be made up of 1,400 from the Ministry of Defence to Glasgow and 650 from the ODA to East Kilbride. There was great political pressure in Scotland for this commitment to be maintained, and it had been reiterated on a number of occasions since last July. The Foreign and Commonwealth Secretary had minuted the Prime Minister on 22 February, saying that it was no longer possible for the ODA to send more than between 400 and 450 posts owing to cuts in numbers and organisational changes. This gave the Government three options: to reduce the total number of posts for dispersal to Scotland; to find posts in the ODA and/or the rest of the Foreign and Commonwealth Office (FCO) to take up the shortfall; or to make good the shortfall with posts from other Departments. The first of these options seemed politically unacceptable; it was therefore necessary to find a way of making good the shortfall. The experience of finding posts for Bootle showed that no Government Department would volunteer to disperse. He suspected that any Department which was asked to find 200-250 posts for dispersal would have just as much trouble in doing so as the FCO/ODA. He accordingly recommended that the Foreign and Commonwealth Secretary should be asked to make good the shortfall from the merged departments of the FCO/ODA.

THE LORD PRIVY SEAL said that the ODA units which were due to disperse to East Kilbride were the only ones which the Hardman exercise had identified as suitable for dispersal. The shortfall was due to a reduction in the numbers employed in those units since the original decision to disperse had been taken. It would not be appropriate to disperse the Directorate of Overseas Surveys. The nature of their work required more than average space per head, so that if they went to East Kilbride many fewer than 650 civil servants could be fitted into

the building there. In addition, many of their highly-trained staff would find work with other employers rather than move to East Kilbride. He accepted that the commitment to move at least 2,000 posts to Scotland should be maintained. The best way to make up the shortfall from the ODA would be to look right across the London-based part of the Civil Service, to identify on the basis of the methodology adopted for the Hardman review whichever unit it would be least difficult to move to East Kilbride.

In discussion the Cabinet agreed that the commitment to disperse at least 2,000 Civil Service posts to Scotland should be maintained. As to the choice of Department, it was argued that nothing had happened since last July to make other Departments more suitable for dispersal now than they had been then.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the Government's commitment to disperse at least 2,000 Civil Service posts to Scotland should be maintained. The Cabinet noted that the FCO would not be able to fulfil their part of this commitment from the ODA posts originally selected for dispersal, but looked to the Lord Privy Seal to find posts for dispersal from elsewhere in the FCO/ODA, to make good this shortfall.

The Cabinet -

1. Agreed that the Government's commitment to disperse at least 2,000 Civil Service posts to Scotland should be maintained.
2. Invited the Lord Privy Seal to find sufficient posts for dispersal within the Foreign and Commonwealth Office/Overseas Development Administration to maintain the existing commitment to disperse 650 posts to East Kilbride.

Cabinet Office

19 March 1980