



10 DOWNING STREET

Note of the Meeting Held at 10 Downing Street at 12 noon on Monday,
11th August, 1980.

Present: Prime Minister
Rt. Hon. Edward du Cann, M.P.
Ian Gow.

1. Mr. du Cann said that he was greatly concerned about the Civil Service, even after the announced reductions had been made. *page 1/16*
2. The Prime Minister showed to Mr. du Cann the text of a Press Statement which it was planned should be issued either on 12th or 13th August, about the future of the C.S.D./Treasury organisation. Mr. du Cann said that he was well pleased with the proposal to issue this statement.
3. Mr. du Cann said that there were four particular matters which concerned him at the present time:-
 - (a) The prospect of 2 million unemployed - we had not yet done sufficient to explain that this was due largely to a world recession, rather than to the policies followed by the Government.
 - (b) Monetarism - this had become a term of abuse in the mouths of our political opponents. We must explain, as Keith Joseph had done, that "monetarism is not enough", and that monetarism is not a strange new religion.
 - (c) Central Office - Mr. du Cann said that the way in which the recent changes at Central Office had been announced was unhelpful. The Prime Minister said that the changes were necessary, not least because we have no money.
 - (d) Local Government - Mr. du Cann said that there was a danger of a serious split developing between Conservative Councillors on the one hand, and the remainder of our Party, on the other. Mr. du Cann said that Conservative Councillors were believing, increasingly, that they were not being understood, whereas the rest of the Party was blaming them for not having been resolute in reducing local authority expenditure. Mr. du Cann said that he thought that there should be an operation to bind up the wounds, because in continuing the gulf between Conservative Councillors and the remainder of the Party would have profoundly damaging consequences in the Constituencies *xybo*
4. Mr. du Cann said that between now and the Party Conference, he believed that we should go on to the offensive about the true causes of unemployment and about the reality of our monetarist policies.
5. The Prime Minister raised the question of reports from Select Committees

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which were damaging to the Government. The Prime Minister said that she thought that part of the trouble was that Conservative Members of Select Committees were not turning up, whereas Labour Members did so. The Prime Minister said that she understood that officers of our Backbench Committees were excluded from serving on the Select Committees which dealt with their own subjects. Mr. du Cann said that he thought that the worst attendance of any Conservative Member of a Select Committee was 70%. Mr. du Cann said that he hoped that the Whips and Ministers would try to ensure that our representatives on Select Committees should be of the highest quality including, where appropriate, Officers of Backbench Committees.