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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 23 OCTOBER 1980
at 10.00 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
Secretary of State for 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
Secretary of State for 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

The Rt Hon John Biffen MP
Secretary, Treasury

The Rt Hon Angus Maude MP
Paymaster General

SECRET

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Norman Fowler MP
Secretary of State for Transport

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

| | |
|----------------------|--------------------|
| Sir Robert Armstrong | |
| Mr M D M Franklin | (Items 3 and 4) |
| Mr P Le Cheminant | (Items 6 and 7) |
| Mr R L Wade-Gery | (Items 3 and 4) |
| Mr W N Hyde | (Items 1, 2 and 5) |
| Mr D J L Moore | (Items 6 and 7) |
| Mr L J Harris | (Items 1, 2 and 5) |

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PARLIAMENTARY
BUSINESS

1. The Cabinet were informed of the business to be taken in the House of Commons during the following week.

Tenants' Rights,
(Scotland)
Amendment Bill

THE LORD PRESIDENT OF THE COUNCIL said that during the Second Reading of the Tenants' Rights, Etc. (Scotland) Amendment Bill Lord Ross had claimed that, because there were differences between the provisions of that Bill and the amendments made to the Housing Bill before the Summer Recess to permit the exclusion from the right to buy of specially adapted houses for the elderly, the Government had not fully honoured the pledges they had given. The Opposition had now tabled amendments for debate during the Committee stage of the Bill. There was little substance in the points Lord Ross was making, but the Secretary of State for Scotland had agreed to see whether any changes could properly be made in the Bill so as to facilitate its passage through both Houses before the end of the Session.

The Cabinet -

Took note.

SITUATION
 THE PRISON
 SICES

 Prison
 Strike

2. The Cabinet had before them a minute from the Home Secretary to the Prime Minister dated 21 October reporting the outcome of the discussion by the Home and Social Affairs Committee (H) of the Government's response to the threatened hunger strike by seven Provisional Irish Republican Army (PIRA) prisoners at the Maze Prison in Northern Ireland.

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that seven of the PIRA prisoners in the Maze Prison were almost certain to begin a hunger strike on 27 October in support of their demand for special treatment as political prisoners. Support for the protest in Northern Ireland had so far been confined to small daily demonstrations, but these could be expected to increase in scale and number as the hunger strike proceeded. Some demonstrations in London had already been planned, including a three day fast outside the Houses of Parliament, and there was a risk that the PIRA would try to reinforce the effect of these demonstrations by the resumption of violence on the mainland. It was doubtful whether they had the capacity to mount a sustained campaign, but they could attempt a limited number of terrorist outrages for propaganda purposes. The hunger strikers had the determination to persist in their action. The first deaths could be expected around Christmas, and the numbers could well be in double figures by the early part of next year. The Government's main task was to carry public opinion with it in its determination not to concede any special status to those who had been convicted of murder and other crimes of violence. Three of the five privileges demanded by the protestors as part of the more general demand for political status were already available to those prisoners who conformed to normal prison regulations. There could be no question of exempting any of the PIRA prisoners from the requirement to carry out prison work. The fifth demand was for the PIRA prisoners to be allowed to wear their own clothes. Any privilege of this kind would have to be made available to all prisoners in Northern Ireland, and not just to those convicted of crimes having a political motive. Some consideration had already been given to the issue of civilian-type clothing as part of the continuing process of reviewing possible ameliorations of the prison regime in Northern Ireland, particularly in the light of the comments of the European Commission on Human Rights. The Home and Social Affairs Committee had considered on 21 October whether it would be helpful for the Government to announce in advance of the beginning of the strike that they were prepared to let all Northern Ireland prisoners wear civilian clothes selected from an approved range, or whether it would be preferable to hold this concession in reserve as a possible card to play later in the strike when those involved might be searching for a face saving formula. The Cardinal Archbishop of Armagh (Cardinal O'Fiaich)

had originally given the impression that, if there were a concession on clothing he would be willing to use his endeavours to persuade those involved to abandon the threatened strike, but he had recently hinted that he would also expect some concession on prison work. Most members of the Home and Social Affairs Committee had considered that to make any concessions now would be seen as a sign of weakness, though they had recognised that a gesture on clothing at a later stage might be helpful. Since the meeting of H Committee, he had spoken again to the Chief Constable of Northern Ireland, who had said that he would be able to deal with any civil unrest occasioned by the protest but that an indication of flexibility on the part of the Government would, on balance, be helpful. His own view was that he should make a statement making it clear that the Government were in no circumstances prepared to grant special status to the PIRA prisoners, but that, as part of the continuing process of penal reform in Northern Ireland, they were prepared to allow all prisoners to wear approved civilian clothing. He considered that a statement on these lines would deprive the protestors of a great deal of public sympathy both within the United Kingdom and abroad, and would be better made now than at a later stage when it could be presented as a surrender to the prisoners' action.

In discussion, it was argued that a change in the rules on prison clothing which did not allow prisoners to wear their own clothes would not be seen as a genuine concession, and was very unlikely to avert the threatened hunger strike. It would appear that the Government was prepared to go some way towards granting prisoner of war status before the protest had even begun, and it would be assumed that the Government would be willing to give way on other issues, including work, once the strike reached a critical stage. The Government should not give away all its bargaining counters at the beginning of the action. On the other hand, it was argued that it should be made clear from the outset how far the Government were prepared to go, and that once the protest had started, no further offers which would be interpreted as giving way under pressure should be made. A concession which was unlikely to persuade the hunger strikers not to start their strike was not very likely to persuade them to call it off once the strike was under way. A reasonable approach by the Government at this stage would undermine support for the protestors, and would reduce the risk that the scurrilous Press campaign against the Government which had begun in the United States would lead to an increased flow of money and arms to the PIRA. Many other countries, including the Republic of Ireland, permitted prisoners to wear civilian clothes, and a move in this direction in Northern Ireland could be presented as an enlightened measure of general reform rather than as a

yielding to sectional pressures, though care must be taken to avoid any suggestion that a similar change would be made in the immediate future in Great Britain. In Great Britain, though not in Northern Ireland, the Prison Officers Association would oppose any change. Another relevant consideration was that the Taoiseach had been co-operating fully in enforcing border security, in spite of mounting domestic criticism., and it was essential not to make his position more difficult.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that it was unlikely that any Government action short of conceding full political status to the PIRA prisoners could now avert the threatened hunger strike. On balance, however, and taking account of the views of the Secretary of State for Northern Ireland, the Cabinet considered that public opinion in the United Kingdom and abroad would be more likely to be sympathetic to the Government if they announced at the outset that they would arrange for all prisoners in Northern Ireland who conformed to general prison rules to be issued with a more varied range of civilian type clothing while again making it clear that they were in no circumstances prepared to concede special political status to PIRA prisoners. Once the Government's position had been made clear, no further concessions should be offered. The Secretary of State for Northern Ireland should arrange to make a full statement of the Government's position as soon as possible.

The Cabinet -

1. Invited the Secretary of State for Northern Ireland to make an early statement on the lines indicated in the Prime Minister's summing up.

The Cabinet had before them a minute of 22 October from the Home Secretary to the Prime Minister about the consequences of the industrial action being taken by members of the Prison Officers' Association (POA) in England and Wales and the likely need to seek new statutory provisions to deal with the resultant situation.

THE HOME SECRETARY said that, although the ostensible cause of the industrial action was a relatively minor, though potentially expensive, claim for retrospective payment for continuous duty credits (CDCs) to cover meal breaks, the POA were seeking to challenge his authority as the Minister responsible for the prison service in England and Wales and ultimately that of the Government.

They had sought opportunities to make such a challenge in the past, and in 1978 the previous Administration had appointed the May Committee of Inquiry to consider, among other things, prison officers' conditions of service. The Committee had recommended a pay increase of 7 per cent, over and above that given to other civil servants, and the payment of three claims for CDCs. The Government had implemented these recommendations immediately. The POA, whose former officers and executive committee had recently been replaced by a more militant group, had pressed two other claims to CDCs which the May Committee had not recommended, although they had not in terms rejected them. He had refused to grant these claims or contemplate arbitration on them because the May Committee had in fact considered them, and by not recommending on them must be presumed to have found against them; moreover, arbitration would not fall within the Civil Service Arbitration Agreement. At the same time, negotiations were being held on a new duty system which, once implemented, should remove this cause of friction by ensuring that all prison officers received similar allowances. Had it not been for the present dispute these negotiations would by now have been satisfactorily concluded. He had no doubt that he was right to stand firm, since otherwise the Home Office and prison governors would lose control of the prisons to the POA. The Association did not at present have the support of other trade unions, although they retained the loyalty of their members, and their action had been widely attacked in the Press. Within the prisons the industrial action had led to the closing of workshops and the worsening of conditions for inmates. The greatest problems arose, however, from the refusal of the POA to allow newly-sentenced prisoners to be admitted to prison or those returning after court appearances to be re-admitted. As a result some 3,000 prisoners, including 130 women, were now being held in increasingly unsatisfactory conditions in police cells. By the middle of the following week all 5,000 or so places in such cells would be full, even though prisoners, with police co-operation, were being moved from one part of the country to another. He now proposed, with the co-operation of the Secretary of State for Defence, to arrange for prisoners to be held in service camps. The police would assist with security and, so far as possible, service personnel would not come into direct contact with prisoners. Legislation would have to be introduced before such camps could be used and to put beyond doubt the legal position of those held in police cells. He also sought the agreement of Cabinet to the inclusion in the legislation of provisions suspending the requirement to produce remand prisoners regularly before the courts, restricting courts' powers to commit non-criminal prisoners to prison and, which he recognised to be particularly controversial, a reserve power for

the grant of executive bail to prisoners on remand who had been refused bail by the courts: he already had power to grant temporary release to sentenced prisoners. It was possible, though unlikely, that he would be able to persuade the POA to modify their stance at a meeting later that day or at a further meeting on Monday. Otherwise he proposed, if the Cabinet agreed, to make a statement in the House of Commons on Monday of his intention to introduce legislation. The Bill, which would apply only to England and Wales, would need to become law by Wednesday, 29 October if he were to retain the necessary room for manoeuvre.

In discussion it was pointed out that it would be essential to secure the support of the Opposition if the proposed Bill were to pass through all its stages in the House of Commons on 28 October and in the House of Lords the following day. The Home Secretary would be in touch with Mr Merlyn Rees, MP, the Opposition spokesman on Home Affairs, as soon as he returned from abroad. But no approaches could be made through the usual channels until it was certain that legislation would have to be introduced. The fact that discussion of the Bill in the House of Commons on Tuesday would be followed by a debate at the request of the Opposition on unemployment on Wednesday might assist the passage of the Bill in the Commons, although a lengthy sitting seemed inevitable. The provisions for the grant of executive bail for which the Home Secretary would carry Ministerial responsibility would be controversial since they ran contrary to the normal doctrine of the independence of the courts, and the way in which these provisions were presented would therefore be important.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet fully supported the firm line which the Home Secretary had taken in the current dispute with the POA. They agreed that prisoners should, if necessary, be held in Ministry of Defence camps as well as in police stations, and authorised the use of service personnel on the lines agreed between the Home Secretary and the Secretary of State for Defence. They agreed that a Bill should be prepared containing the changes in the law set out in the Home Secretary's minute of 22 October, and that unless the POA changed their stance within the next few days the Home Secretary should announce in the House of Commons on 27 October his intention to introduce such a Bill. The Lord President, the Chancellor of the Duchy of Lancaster and the Chief Whip should do everything possible to secure that if legislation were necessary the Bill passed through all its stages in both Houses on 28 and 29 October.

The Cabinet -

2. Endorsed the line taken by the Home Secretary in response to the claim by the Prison Officers' Association for the retrospective payment of further continuous duty credits.
3. Agreed that an Imprisonment (Temporary Powers) Bill should be prepared containing the provisions summarised in the Home Secretary's minute and that Parliamentary Counsel should be authorised to draft the Bill.
4. Noted that the Home Secretary would hold further meetings with representatives of the Prison Officers' Association.
5. Invited the Home Secretary, in consultation with the Chancellor of the Duchy of Lancaster, to make a statement in the House of Commons on Monday 27 October and, subject to the outcome of his meetings with the Prison Officers' Association, to announce his intention to introduce the Bill.
6. Invited the Lord President of the Council, the Chancellor of the Duchy of Lancaster and the Chief Whip to do everything possible to secure that, if a Bill were introduced, it became law on Wednesday 29 October.

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3. THE LORD PRIVY SEAL said that the agreement reached on the military reintegration of Greece into the North Atlantic Treaty Organisation was a welcome development, in which the Prime Minister's recent discussions in Athens had played a part.

THE LORD PRIVY SEAL said that recent hard-line comments on Poland by Czechoslovak, Romanian and East German leaders seemed to have been designed more to inhibit the spread of political infection to their own countries than to foreshadow intervention in Poland itself.

THE LORD PRIVY SEAL said that there had been no major developments in the fighting between Iraq and Iran. The Iraqi forces were still advancing, but very slowly. The Iranian Government had at the United Nations shown signs of interest in negotiations, but it was not clear whether there was any real change of attitude. It was also unclear what if anything lay behind recent remarks by President Carter and his Secretary of State, Mr Muskie, on the possible release of the American hostages. Because of the implications for the arms embargo, it had been made clear to the United States Government that Britain would expect advance notice of any deal between Washington and Tehran.

THE LORD PRIVY SEAL said that a team from the United Nations Secretariat was encountering difficulties in its discussions on Namibia with the South African authorities in Pretoria. Messages might need to be sent to the South African Prime Minister, Mr P W Botha, by the Heads of Government of the five Western countries represented on the Namibia Contact Group at the United Nations.

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Test
THE PRIME MINISTER said that a British nuclear test would take place in the United States on 24 October. It was designed to test a mechanism for varying the yield of future tactical nuclear weapons. An announcement would be made immediately after the test, but until then the matter would remain strictly confidential.

The Cabinet -

Took note.

COMMUNITY
MATTERS
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4. THE SECRETARY OF STATE FOR INDUSTRY said that discussions were still continuing as to whether steel production within the Community should be regulated on a voluntary basis or through mandatory quotas under the Treaty establishing the European Coal and Steel Community. The United Kingdom and other member states favoured the latter course, but the Federal Republic of Germany wanted only a voluntary arrangement and were threatening to invoke the Luxembourg Compromise to prevent the Council deciding on mandatory quotas by majority vote. While the Federal Republic had not previously invoked the Luxembourg Compromise they saw no reason to eschew a weapon which had been frequently used by the French. It was in the interests of the United Kingdom that steel production within the Community should be regulated. The Council of Ministers would be meeting again to discuss the question on Saturday, 25 October.

Airways
THE SECRETARY OF STATE FOR TRADE said that Laker Airways had appealed to him against a decision of the Civil Aviation Authority to reject an application for a licence to operate on a large number of European routes. The application had been based on the argument that the competition rules of the Treaty of Rome overruled the national regulatory provisions of the Civil Aviation Act 1971. On legal advice that our national legislation was valid he had turned down the appeal; it was open to Sir Frederick Laker to challenge this decision in the Courts. To have granted any of the requests would have achieved nothing, since the other European Governments concerned would not have been willing to agree. His quasi-judicial function under the Civil Aviation Act had left him little choice but to turn down the appeal, although this had inevitably led to some criticism in the Press.

Duties
and

THE CHANCELLOR OF THE EXCHEQUER said that, as a result of rulings in the European Court, we were under pressure to change the relationship between our excise duties on beer and wine. Although, as some newspaper reports had suggested, this could lead to a significant increase in the duty on beer, if the change proposed was made in a single move and entirely by adjusting the excise duty on beer, it could equally be accomplished through a smaller increase in the beer duty and a reduction in duties on wine; and if spread over a period of several years could be accommodated without difficulty. In view of its political sensitivity, the matter would be considered later by the Defence and Overseas Policy Committee.

The Cabinet -

Took note.

THE QUEEN'S
SPEECH ON THE
OPENING OF
PARLIAMENT

5. The Cabinet considered a note by the Home Secretary (C(80) 57), to which was attached a revised draft of The Queen's Speech on the Opening of Parliament.

THE HOME SECRETARY said that the draft Speech attached to C(80) 57 had been revised in the light of the discussion in the Cabinet on 16 October. It incorporated a passage on unemployment suggested by the Secretary of State for Employment, amendments agreed by the Cabinet, revisions suggested by the Secretaries of State for Industry and Energy, and further drafting improvements suggested by the Paymaster General. The passages on State Visits and on Northern Ireland still had to be finalised. Amendments became increasingly difficult to incorporate as the date of State Opening drew nearer, and he hoped that it would be possible to agree on a final text for these references in the very near future. With these exceptions, he invited the Cabinet to approve the draft Opening Speech.

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that the late start of the next Session of Parliament, the addition of at least four new Bills to the legislative programme approved by the Cabinet in May, and the fact that a number of major Bills might have to be taken through all their stages on the Floor of the House of Commons meant that the Government's legislative timetable would be under very heavy pressure in the new Session. There was a serious danger that the highly unsatisfactory situation which had obtained in the latter part of the current Session would be repeated next year unless the business managers were left sufficient scope for lightening the programme if necessary. He suggested that the specific references to some of the less essential Bills should be deleted from the draft Speech, and left to be subsumed by the general reference to other measures. This would not necessarily mean that the Bills concerned would have to be abandoned, but it would leave the Government free to review the situation as the Session progressed. As an example, the references to the Civic Government (Scotland) Bill and to the Bills on company law, insurance and civil jurisdiction might be omitted.

In discussion, it was pointed out that a large part of the difficulties experienced in the current Session had arisen because there had been an insufficient number of Bills ready for House of Lords introduction at the start of the Session. Many Bills which might be thought less essential were suitable for introduction in the House of Lords, and it would be pointless to remove them from the programme if that were to mean that the House of Lords would be short of legislative business in the opening weeks of the new Session. It would be preferable (though not ideal) to allow them to be taken through all their stages in the House of Lords, and then for a separate decision to be taken in the New Year on whether it would be possible to find time for all of them in the House of Commons.

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In further discussion, the following main points were made:

- a. The reference to unemployment might need to be revised in the light of the Cabinet's subsequent decisions on public expenditure.
- b. The Companies Bill did not consist only of provisions which stemmed from European Community commitments; it also included provisions which were an essential part of the Government's strategy to reduce manpower in the public services and to assist small businesses. It would be desirable to amend the relevant passage in the draft Speech to avoid the implication that the Bills on company law and insurance were confined to the implementation of European Community Directives.
- c. The Scottish Bills on education, local government, and civic government were necessary to fulfil policy commitments in Scotland. Of the five Scottish Bills in the 1980-81 programme, only those on local and civic government would have to receive their Second Reading on the Floor of the House of Commons instead of in the Scottish Grand Committee; all would, however, take time on the Floor of the House of Lords.
- d. The Energy Conservation Bill was a relatively modest measure which implemented European Community requirements on the labelling of energy consuming appliances, but the omission of a conservation measure from the Speech or the programme would be presentationally undesirable.
- e. The State Visit of the President of Mexico originally planned for next year would not now take place.

THE PRIME MINISTER, summing up the discussion, said that it was important that The Queen's Speech should not commit the Government to a legislative programme which it might not be able to carry through because of the pressures on Parliamentary time. The business managers should consider with the Ministers concerned whether references to particular Bills could be removed from the Speech, on the understanding that this would not preclude the introduction of the relevant legislation if Parliamentary time could be found. In the light of these consultations, the Home Secretary should circulate a further revised version of the draft Speech for final approval at the following week's Cabinet.

The Cabinet -

1. Invited the Chancellor of the Duchy of Lancaster, in consultation with the Lord President of the Council, and the Chief Whips, to discuss with the Ministers concerned which references to individual Bills could be deleted from the draft Queen's Speech on the Opening of Parliament, and to report their conclusions to the Home Secretary.
2. Invited the Home Secretary to circulate a revised draft of the Speech for consideration at the following week's Cabinet.

6. THE CHANCELLOR OF THE EXCHEQUER gave the Cabinet a brief assessment of the economic prospect and its implications for policy as background to their forthcoming discussions of the public expenditure programme.

THE PRIME MINISTER said that by way of preparation for the discussion of the issues on public expenditure which the Cabinet would have to consider on 30 October, she had invited the Chancellor of the Exchequer, together with the Secretary of State for the Home Department, the Lord President of the Council and the Chief Secretary, Treasury, to discuss urgently with each of the Ministers responsible for large spending programmes the proposals affecting their Departments which were set out in the memorandum (C(80) 58) circulated by the Chief Secretary, Treasury. The outcome of these discussions would be reported to the Cabinet for their discussion on 30 October.

The Cabinet -

Took note.

ECONOMIC
PROSPECT
AND ITS
IMPLICATIONS
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discussions,
p. 1

7. The Cabinet considered a memorandum (C(80) 56) by the Lord President of the Council on reductions in Civil Service manpower.

THE LORD PRESIDENT OF THE COUNCIL recalled the Government's announced policy of reducing Civil Service manpower from 732,000 in April 1979 to 630,000 by April 1984. It had been agreed, but not announced, that provision should be made within the total of 630,000 for a contingency margin of 10,000 to allow for unavoidable staff increases to deal with, for example, rising unemployment. He now judged that it would be prudent to increase this margin to 15,000 and therefore to aim for a gross target of 615,000 by April 1984. To achieve this reduction it would be necessary to find another 22,000 staff savings in addition to those to which Ministers had agreed in discussions with him. Allowing for savings from greater efficiency, of not less than 2 per cent a year overall, he judged that these reductions could be made, and he had set out in Annex A to C(80) 56 his proposed targets for each Department within a total of 615,000. After allowing for some growth already approved, this represented a reduction of 19 per cent on average of staff in post on 1 April 1979, though with variations for individual Departments depending on their particular circumstances. There would be some offsetting costs from retiring people early and from unavoidable redundancies, and he hoped that the Chief Secretary, Treasury would now give his agreement to a scheme for voluntary early retirement. A number of savings would need legislation and firm places would have to be found for the necessary Bills in the relevant legislative programmes.

In discussion the following points were made -

- a. The Chancellor of the Exchequer, the Secretary of State for Defence, the Lord Privy Seal (for the Foreign and Commonwealth Secretary), the Secretary of State for Industry, the Secretary of State for Social Services and the Minister of Transport were uncertain whether it would be practicable to make the full reductions proposed for their Departments, but they would each do their utmost to reach the targets set. Each would wish to discuss their targets further with the Lord President of the Council.
- b. There would be difficulties in making the full savings proposed for the Foreign and Commonwealth Office, since a high proportion of their staff were locally employed and excluded from the totals under discussion; but allowance had been made for this in the target set them.

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c. In a number of cases achievement of the targets would depend on the transfer of functions to the private sector and to priority being given to the necessary legislation. In some cases there was a risk that costs could be higher if work were transferred out of Departments, but there was a danger that this argument could be used to stall on changes and it should be viewed with scepticism. The criteria for transfers of functions to the private sector should be as stated by the Prime Minister in the House of Commons, that they should be commensurate with good management and good value for money for the taxpayer.

d. For the most part staff and unions had been co-operative so far in accepting the need for cuts. It would be important, in explaining the cuts to the staff and to the public, not to imply undue criticisms of civil servants but to present the measures as sensible steps towards greater efficiency. If Civil Service numbers were too high, or the functions of Government were not being discharged as efficiently as they should be, that was less bureaucratic failure than failure of political management over many years and governments of both political parties. This should be acknowledged publicly: Ministers should give civil servants credit for the work they did, and for their co-operation in reducing numbers and increasing efficiency, so as to maintain that co-operation and the morale of the Service. Unjustifiable attacks on the Civil Service, like those recently made by Professor Milton Friedman on the Treasury and the Bank of England, should be robustly answered and rebutted by Ministers.

e. Reductions in Civil Service numbers, and in the size of pay increases, were the best way of cutting public expenditure without damaging the private sector. For the manpower targets to be met it was essential that Ministers and senior civil servants in every Department should continue to give priority and their full support, to finding savings and further measures of efficiency.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet reaffirmed their earlier decision to reduce the number of civil servants to 630,000 by April 1984. Within this total they agreed that the contingency margin should be increased to 15,000. Each Departmental Minister should strain to reach the individual targets proposed for him by the Lord President of the Council.

The Cabinet -

1. Agreed that within the public target of 630,000 civil servants by April 1984 there should be a contingency reserve of 15,000.

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2. Agreed that the revised basic target of 615,000 for 1 April 1984 should be subdivided between Departments as proposed in Annex A of C(80) 56.
3. Endorsed the resultant figures for each Department as firm targets, which each Departmental Minister should do his utmost to ensure were achieved.
4. Took note of the need for legislation as set out in Annex C of C(80) 56.
5. Took note that the Lord President of the Council would discuss further with the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for Defence, the Secretary of State for Industry, the Secretary of State for Social Services and the Minister of Transport how best to achieve the targets proposed for their Departments.

Cabinet Office

23 October 1980



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ca Mr 16/6
Mr Hyde
Mr Harris
Mr White-Car

PRIME MINISTER

HUNGER STRIKE AT THE MAZE PRISON

At this morning's meeting of H Committee the Secretary of State for Northern Ireland confirmed that seven I.R.A. prisoners at the Maze Prison were almost certain to begin a hunger strike on 27th October and that both they and others who might start a similar strike a little later were sufficiently determined to continue the strike until they died. The hunger strike would be accompanied by an orchestrated campaign of support throughout Ireland and abroad.

The Committee were unanimous in supporting the view of the Secretary of State for Northern Ireland that the Government could not compromise on the principle of granting political status to the prisoners concerned, and that the aim must be to sustain the improving security position. Against that background we considered very carefully the advantages and disadvantages of the Government making any move in advance of the strike on the lines discussed in the Secretary of State's paper H(80) 74.

We noted that of the five points listed in paragraph 5 of that paper the first three presented no difficulties if and when the prisoners were willing to conform to the normal rules, and agreed that no concession should be made on the requirement for prisoners to work. Discussion therefore centred on the possible announcement of a change in policy whereby all prisoners in Northern Ireland who conformed to general prison rules would, in the course of time, be issued with a more varied range of civilian-type clothing. Most of the Committee, though not all, felt that it would not be sensible for

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the Government to offer such a change of policy now. Since neither I nor the Secretary of State for Scotland could contemplate an early similar change being made for Great Britain, it could not convincingly be represented as a general measure of penal reform. It was the more likely therefore to be seen as a concession to the prisoners made only because of the imminence of the hunger strike. This does not mean, however, that the possibility of making such a concession or of offering a wide review of prison regimes in Northern Ireland may not be useful cards to play as events develop.

The Secretary of State for Northern Ireland will, if you agree, report the latest position to Cabinet on Thursday, when he will have had the benefit of formal advice from the Chief Constable. He had it in mind, subject to colleagues' agreement, to make a full statement of the Government's position on Friday in Northern Ireland and to make a statement to the House of Commons when it resumes on Monday, 27th October.

At the same time, I am likely myself to have to make a statement about the dispute with the Prison Officers' Association in England and Wales. Both matters could, if you agree, be raised under "Parliamentary Affairs" at Cabinet or, alternatively, there could be a separate item on the agenda.

I am copying this minute to the Secretary of State for Northern Ireland, to our other Cabinet colleagues, to the Attorney General and the Minister of Transport, and to Sir Robert Armstrong.

Walls
21 October 1980