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of the rightness of the overall strategy. He suggested that, before putting a paper to Cabinet, a draft might be considered by a small group of senior Ministers. The Prime Minister agreed that a strategy discussion in Cabinet would be useful, and that this should be preceded by a smaller meeting. Ministers for this smaller meeting should include the Secretary of State for Employment, the Lord President, the Home Secretary and the Secretary of State for Social Services. The Chancellor should aim for this initial discussion within the next few weeks.

The Chancellor reported that Treasury officials were examining the options for the presentation of the figures in the Public Expenditure White Paper for the later years of the P.E.S.C. period. He was hoping to have a meeting with Treasury Ministers to consider a paper by officials in the near future, and would then be ready to discuss the question with the Prime Minister.

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