

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

7 November 1980

1981 Budget and Public Expenditure White Paper

The Chancellor minuted the Prime Minister yesterday on the above subject - too late for them to discuss it at their morning meeting.

The Prime Minister has now read the minute. She agrees that the Treasury should start planning for a Budget Day of Tuesday 10 March, and that the public expenditure White Paper should be published on Budget Day as it was this year. But she has suggested that it would be better if it could be issued on the morning of the Budget as the Economic Survey used to be, rather than at the end of the Budget speech.

The Prime Minister is not disposed to the idea of a delayed Budget debate unless the Opposition press for it.

A.J. Wiggins, Esq.,
HM Treasury.

Am. Min. ^{12/11/80}
Original on:
Public Exp. Pt 11
Econ. Pol.

11/11/80

Original on:
Public Exp: 411

CONFIDENTIAL

r. Ann. Min. M. H.



at the byten
to the Hon. M.

Treasury Chambers, Parliament Street, SWIP 3AG

21-233 3000 on Paper

After 10-11 March
Prime Minister

Initially I want to see
some publication of
the Budget
to be a bit
on the 15th
to be a bit
to be a bit
to be a bit

1981 BUDGET AND PUBLIC EXPENDITURE WHITE PAPER

This came in for
lots of good meeting
this evening. You can
discuss with the Chamber
next week along with
the fine-talk decisions.

In my minute of 4 November I set out my thinking on the handling of policy announcements on public spending, monetary policy and so on over the next month or so. Before we meet on 6 November I thought you might like to know also of the timetable I have in mind for the 1981 Budget and publication of the public expenditure White Paper with details of our plans to 1983-84. Perhaps we can then have a word about this aspect at the same time as we discuss the handling of things over the next few weeks.

The White Paper

2. We need to present the spending figures for all programmes, not only for 1981-82 but for later years, in a medium term fiscal context, showing how they relate to our financial and monetary strategy. The best time to do this is with the 1981 Budget next spring - hence John Biffen's proposal in C(80)58, which I endorse, for publishing the public expenditure White Paper on Budget Day again next year. This year's simultaneous publication was of course welcomed by many outside commentators and by the Treasury Committee as helpful in giving a more

CONFIDENTIAL



coherent presentation of economic strategy. It proved too to be very much in line with one recommendation of the Armstrong Report, published subsequently.

3. I take this opportunity of mentioning that I am having further work done on the possibility of including in the White Paper itself some information in terms of planned or forecast cash spending, rather than just volume figures. I cannot be definite at this stage about how much progress we shall be able to make on that for the coming year, but I will keep you informed.

4. For the moment I should be grateful to know whether you would be content with publication of the White Paper at Budget time. I would propose to make clear our intentions on this in any announcement on 1981-82 spending generally, of the kind foreshadowed in my minute of 4 November.

5. There is one aspect of simultaneous publication of the White Paper and the Budget to which we may need to give further consideration. Mr. Callaghan remarked this year about the case for the House having the White Paper (and by implication the traditional Budget documents) 10 days or so "before the Budget". I do not think this request can be met in the terms in which it was put. But one possibility for going some way to give the House more time to consider the Budget proposals before debating them would be to release the documents and announce our proposals on the Tuesday, as is traditional practice, but to resume the Budget Debate not the next day but on the Monday of the following week. There would be some disadvantages in this - e.g. more time for the Opposition to marshal their

*I doubt that
the Opposition would
like this - they
wouldn't be able to
react as rapidly enough
MS*



attack - but by the same token it would give us more time to influence the climate of opinion and on balance I think the idea worth considering further. But before I do - which would involve talking to Norman St. John Stevas and Michael Jopling - I should be grateful for any views you may have.

Date for 1981 Budget and White Paper

6. I have considered this in the light of last year's experience and I am asking my Departments to plan for the time being for a Budget Day of Tuesday 10 March. An early Budget has important revenue advantages - especially next year when we shall need all we can get. The earliest date we can manage is to be preferred if simultaneous publication of the White Paper is not to mean undue delay in telling the country (including suppliers to the public sector) of our detailed plans. (Departments will of course be able to do their own budgeting for 1981-82 as soon as programme figures are decided and without waiting for the White Paper.) 10 March will also enable us to get the Finance Bill second reading through before Easter.

7. Of course no final decision on the Budget date is needed until the New Year and it is best to hold options open until then in case unforeseen developments change the balance of advantages. But it would be helpful to know that you are content with a planning date of 10 March.


(G.H.)

6 November 1980