



PRIME MINISTER

PUBLIC EXPENDITURE

Michael Heseltine has sent me a copy of his minute of 19 June.

2. I cannot accept that for the Department of Environment programmes, the opposition cuts should be disregarded because of the "equal agony" principle. That is not what Cabinet agreed. The Cabinet agreed that a "wide range of options should be deployed when Ministers took final decisions on long-term public expenditure plans later in the summer". For the Department of the Environment this means that we need options to be identified on the basis agreed by Cabinet and set out in my letter of 15 June. T.P.M. I hope you will agree that this should now be done as a matter of urgency.

3. I am copying this to Michael Heseltine and Sir John Hunt.

W. J. B.

JOHN BIFFEN
20th June 1979

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