



PRIME MINISTER

WHITE PAPER ON PUBLIC EXPENDITURE IN 1980/81

I have seen the Chief Secretary's paper C(79) 46 and also a copy of your Private Secretary's letter of 22 October.

My own view is that we ought on this occasion to make an oral statement when the White Paper is published. Although it has previously been the practice not to make a statement on publication but to wait for the debate, there are special features this year which would make a statement very desirable. There will be a very strong demand for one in the House; we are already departing from the usual practice by publishing our plans for the coming year separately from our plans for the later years of the survey period; and a statement should help us to get a proper balance in the subsequent reporting. In particular, we shall be able to demonstrate both that we have adjusted the priorities for public expenditure as we promised in the Manifesto, and that we have still provided for increased expenditure on health and personal social services and social security (and for only modest reductions on the other social services) contrary to the belief which our critics are trying to foster in the country. I know that points of this kind will be made in today's debate but I think it will be important to emphasise them again with the published figures.

On timing, I would favour publication (and an oral statement) on Thursday, 1 November.

Contd...



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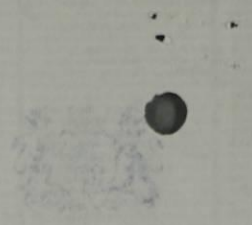
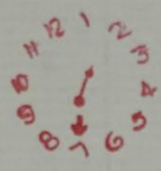
I am copying this minute to the Chief Secretary, the Paymaster General and the Chief Whip, and to Sir John Hunt.

Nstjs.

N. St.J.S.

24 October 1979

24 OCT 1979





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10 DOWNING STREET

PRIME MINISTER

The impact of the White Paper will be conditioned by its announcement of the increase in prescription charges to 70p from April (para 37) and the estimate of unemployment in 1980-81 as 1.65 million (para 39). Despite these, I very much support the Leader of the House (his letter attached) in arguing for an oral statement. We should come out fighting, not hide from the enemy! MS