

7.1.80

NOTE FOR RECORD

The Governor. CR 8/1
 Mr. Ffonde
 Mr. Mchahow
 Mr. Dow
 The Chief Cashier
 Mr. Walker

Sir Anthony Rawlinson's call on the Governor
 2nd January

Rawlinson said that, before Christmas, Treasury Ministers had agreed that a new onslaught must be made on public expenditure for next year and the years beyond. This was now in train and the aim was to bring proposals to Cabinet by the end of January (meetings on the 24th and 31st). This should make it possible to produce a full White Paper by mid-March. He commented in passing that the 25th March was the date favoured by officials for the Budget; certainly it could not be earlier and, if that date was not chosen, it would be put well into April.

The Governor asked whether he felt anxiety about the scale of the possible overrun this year. Rawlinson said that there would no doubt be some, but it would not be enormous. Some programmes, principally defence, were almost certain to throw up excesses; moreover, there was some danger that estimated shortfalls in spending might more generally not be achieved. In answer to a question, however, Rawlinson said that a total divergence of £1 bn. was certainly more than he would expect.

J. L.

7th January 1980.