



PRIME MINISTER

I shall miss Cabinet on Thursday but I would like to comment on the public expenditure papers.

Although at Cabinet on 26 July I questioned the wisdom of publishing 5 year figures, in the light of the Chancellor of the Exchequer's paper on publishing medium-term public expenditure plans (C(79)36), I accept that this year it would, on balance, be sensible to do so.

There is something to be said for establishing a new long-term trend line at this juncture in the Government's life. Having created a new framework - and hopefully a new climate - the wisdom of publishing 5 years figures should, in my view, be looked at again in one year's time. Contrary to the pleas of the General Sub-Committee of the Expenditure Committee I hope we will not publish detailed tax and revenue projections for the 5 year period. In so far as they would not be completely useless they would be damaging to the Chancellor's future freedom of manoeuvre in Budgetary policy.

So far as the Chancellor's and Chief Secretary's paper on the years after 1980/81 (C(79)35) is concerned, I endorse the arguments in the paper and accept the political and economic necessity of achieving the results set out in line 10 of Appendix C - namely the holding of public expenditure at a static level in real terms.

As I shall not be present at the Cabinet discussion, I should like to reserve my position on the details of the proposals for the Department of Trade until my return from overseas.



I am sending a copy of this minute to the Chancellor, the Chief Secretary, other Cabinet colleagues, and to Sir John Hunt.

*JN*

Department of Trade  
1 Victoria Street  
London, SW1

J.N.

11 September 1979



11 12 1  
2 3 4  
5 6 7 8 9 10



125