



~~W. H. H. H. H.~~

Mr. H. H. H. H. ←

You may want to see.
(The PM has read
Part I and has
not commented
strongly).

PRIME MINISTER

PUBLIC EXPENDITURE WHITE PAPER

in
files
attached

I enclose a draft of the White Paper for publication on Budget Day, 10 March.

2. I am afraid the timetable is tight and I must therefore ask you and our Cabinet colleagues, to whom I am copying this minute and enclosure, for any comments by next Tuesday, 17 February, at the latest.

3. The greater part of the White Paper, which reflects the decisions Cabinet have already taken, has been cleared with other Departments at official level.

4. I should draw attention to the following points. First, the volume totals in 1980-81 and 1981-82 are higher even than we expected last November, and there is no decline between those two years. The draft says frankly that the totals are too high, despite the Government's considerable achievement in making the cuts announced on 24 November by the Chancellor, and that we shall have to look again at our plans for 1982-83 onwards in the coming survey.

5. The main reasons for the disappearance of the decline between the two years are the higher forecast take-up of special employment measures, the higher unemployment assumptions and the higher British Steel figure for 1981-82 now under discussion.

6. Second, there is far more emphasis on cash than in previous White Papers. For the first time the cash limits and broad cash totals for 1981-82 will be included.

7. Copies go to members of the Cabinet and Sir Robert Armstrong.

L.B.

LEON BRITTAN

10 February 1981