



Prime Minister

Agree to a discussion

on 28 January?

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PLS 24/12

PRIME MINISTER

APPROACH TO THE BUDGET

We are, as you know, working towards a Budget date of 9 March and I would envisage that this should be announced fairly soon after the Recess.

2. I have been considering the timing of the next macro-economic discussion in Cabinet. Since the last Budget we have now had two such discussions, in June and in October. I have all along thought that we might aim for a third in January, and I still believe that a discussion next month could in fact prove helpful. 28 January would seem the best date.

3. I would expect at that time to be able to describe the prospects to Cabinet colleagues in broad terms on the basis of an updated economic forecast. It would not be appropriate to enter into discussion then about detailed Budgetary measures - and indeed the basis for that would not by then be fully available, because there will be another forecast before the Budget - but colleagues will expect, and I would want them to have, an opportunity to register their views on the overall approach to the Budget. At a later stage I might discuss with particular colleagues aspects which might directly affect their departmental interests.

4. If you agree with this approach I shall circulate a paper to Cabinet by 21 January for discussion on 28 January.

No - it will leak. Can we not have a formal presentation - followed by discussion - not



5. I am copying this minute to Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of a stylized 'G' followed by 'H'.

G.H.

23 December 1981