



10 DOWNING STREET


Prime Minister

①

① Leon Brittan wishes to try to clear the Public Expenditure guidelines paper (flag A) in correspondence. May he circulate to Cabinet tomorrow evening?

② Do you wish the Cabinet discussion, if one proves necessary, to be on 1 April ~~or~~ ~~or~~ or 6 April?

MUS 24/3


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MR. WHITMORE

Public Expenditure Survey 1982

The Prime Minister has agreed that the Chief Secretary should aim to clear in correspondence his proposals for the conduct of the 1982 Public Expenditure Survey. He will circulate a minute later this week. If, contrary to the Treasury's hopes, any Minister objects to what is proposed, the minute will have to be brought to Cabinet for discussion. The Treasury are anxious to reach conclusions before the Easter holiday so that the exercise can get under way.

2. I had hoped that it might be possible for this discussion to take place at the last Cabinet before Easter on Tuesday, 6th April. The Chancellor of the Exchequer will be in Wales that day on Royal Mint duties which he cannot cancel since they involve a visit to the Mint by the Prince of Wales. The Chancellor would have been willing for the Chief Secretary to deal with the issue in his absence, since the minute will be in the Chief Secretary's name, and he is responsible for the details of the exercise. I understand, however, that in commenting on last week's business note, the Prime Minister said that the Chancellor must be present when the Survey is discussed in Cabinet and that for this reason she was unwilling for it to be on the agenda for 6th April.

3. The only alternative Cabinet at which the Survey could be discussed is that on 1st April. There are, however, two problems about this.

4. First, we had made provision for Northern Ireland to be discussed then, following tomorrow's discussion in OD. Even if the Cabinet does not need to discuss Northern Ireland, there should be meetings of OD and MISC 7 after Cabinet on 1st April, to take the Defence White Paper and Special Nuclear Materials respectively. It would be difficult to add the Public Expenditure Survey to the Cabinet agenda without putting at risk either or both of these meetings, and both the items which they are to discuss need to be considered before Easter.

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5. The second difficulty arises from the shortage of time between the circulation of the Survey memorandum and Cabinet on 1st April. Mr. Scholar's minute of 17th March recorded the Prime Minister's wish for some time to elapse before the circulation of the Chief Secretary's minute. His office are to consult yours before circulation later this week. This will leave very little time for Departments to digest the memorandum and we will not know until 30th or 31st March whether it can be cleared in correspondence or whether it has to go to Cabinet. I wonder, therefore, whether the Prime Minister might be prepared to reconsider her view that the Public Expenditure Survey should not be considered by Cabinet (if this proves necessary) in the absence of the Chancellor of the Exchequer on 6th April.

REA

Robert Armstrong

24th March 1982

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BK
bc Mr Verelst
Ecur PJ

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Public Expenditure Survey 1982

The Prime Minister last night saw your minute to Mr. Whitmore of 24 March about the timing of Cabinet discussion of the Chief Secretary's proposals for the conduct of the 1982 Public Expenditure Survey. I also had a word with her about this after OD this morning.

The Prime Minister continues to prefer 1 April rather than 6 April as the date on which the Survey would be considered by Cabinet, if discussion proves in the event necessary.

She has also given clearance - which I have passed on to the Treasury - to the circulation today of the Chief Secretary's minute to Cabinet colleagues which is aimed at securing colleagues' agreement in correspondence.

M. C. SCHOLAR

25 March 1982

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