



CONFIDENTIAL

Prime Minister (1) ✓ JV  
AW PA  
should I write round  
setting up this Cabinet meeting,  
indicating the need for discretion (it  
would be awkward if some of the options  
for consideration were publicly known in  
the autumn) and seeking co-operation  
for the CPRS work?  
MUS 5/7

Qa 05958

To: MR SCHOLAR

From: JOHN SPARROW

22 June 1982

Long-Term Public Expenditure

MUS 23/6

1. In his minute of 15 June (paragraph 17), the Chancellor suggests that the CPRS might provide a paper on long-term structural options, for the discussion he proposes of the officials' report on public expenditure prospects. I have now seen your reply of 21 June.

2. I agree that this is a job the CPRS ought to tackle, and I am glad that the Prime Minister has agreed. There is not much time before September, and as you know we have several other major reports to complete in the same time-scale. But for this first wide-ranging discussion, I take it Ministers will not want an elaborate paper with fully worked-out options. The object is not to reach firm decisions, but to have a preliminary debate on the broad options and then decide what further work should be set in hand.

3. There is one proviso. We shall of course need to consult the Treasury and draw on their thinking. But I think we must also be able to consult other Departments concerned. They are not likely to be enthusiastic contributors, but we must at least try out our ideas on them, to correct avoidable mistakes and prevent any accusation that we have circulated an important paper without giving them a chance to comment. No doubt we can arrange this when Departments have been informed of the Prime Minister's intention to call a meeting in September on the LTPE report, with an input from the CPRS.

4. There will inevitably be some slight risk of leaks in sensitive areas (charging for "welfare" services, pensions indexation, defence),





CONFIDENTIAL

but in my view this risk (which we will of course do our best to eliminate) cannot be allowed to stop any exploration of options for Ministers.

5. I am sending copies of this minute to John Kerr (Treasury) and to Sir Robert Armstrong.

B.

conqueror