

Public Expenditure White Paper

Although para 1.58 of the Autumn Statement mentioned that expenditure in 1984-85 was likely to turn out at £128.0 b, or £1.5 b above plans, this figure was not incorporated into the table showing public expenditure as a proportion of GDP. This used the planning total.

The White Paper will publish an outturn figure of £128.0 b - see chart on page 4 - and will show this as 43% of GDP, an increase on 1983-84 - see chart on page 5. This demonstrates that public expenditure as a proportion of GDP has remained more or less constant since 1981-82. While this is due in part to the coal strike, it demonstrates the old theme of pain today but bliss tomorrow.

The Chief Secretary's minute reports that the Secretary of State for Defence has offered manpower cuts of 1,000 by 1988. He is playing games as he has boasted on a number of occasions that he can do much better. He is making a gesture of protest that other colleagues have not offered enough. As the chart on page 24 demonstrates, the projections, without a much better figure from him, are pretty disappointing.

Agree he be asked to supply a figure which reflects what he can realistically achieve?

*- Can others not offer more?*

On capital spending ~~power~~, the Treasury last year published figures for just one year ahead. The TCSC requested three-year projections. As table 1.13 on page 23 shows, capital expenditure in real terms has declined this year and is expected to decline further next year. If Mr. Heseltine supplied the figures necessary to do the calculations, it is likely that years 2 and 3 would be even lower. There is a choice between publishing these projections, and having them dragged out under question.

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Agree Mr. Heseltine be asked to provide the defence figures  
so that an extended table can be produced? This can then be  
circulated to colleagues and a judgement made on the merits of  
publishing one or three years ahead.

Yes not

7 December, 1984.

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