

SECRET



see NO 15

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Prime Minister

PRIME MINISTER

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MUS 30/3

LONG TERM PUBLIC EXPENDITURE

I am replying to your minute of 4 February about the scope for substantially reducing public expenditure in the longer term.

I have agreed with Leon Brittan that I should not embark on a separate Northern Ireland consideration of national policy to achieve this objective. There is no scope for making significant distinct savings separate from those which might be achieved in our national programmes. I have asked my officials to keep in touch with their Great Britain counterparts as the work develops, and when the national programmes have been established, I shall consider their impact on the Northern Ireland position and be ready to consult colleagues as necessary.

Leon Brittan has asked me also to consider whether we may need to review the existing population based formula for setting the Northern Ireland Public Expenditure total. The present arrangements work well and are well understood, and I should be reluctant to change them. But I agree we may need to do this if the results of the present review leads to expenditure levels for Northern Ireland getting too far out of step with the accepted needs of the Province.

In the meantime, I am separately undertaking a review of Civil Service manpower posts April 1984 and I am also following up in Northern Ireland the Financial Management Initiative.

I am copying this minute to the Chief Secretary and to Sir Robert Armstrong.

JP

J P  
30 March 1983

SECRET

30 Nov 1983

