

RESTRICTED



Prime Minister (2)

C.A.W.
B.T.

MCS 9/6

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

8 June 1983

Michael Scholar Esq
10 Downing Street
LONDON SW1

Dear Michael,

The May CGBR Press Notice will be published at 2.30pm on 9 June.

The Chancellor sees no reason to bother the Prime Minister just now with the usual monthly note. But you should know that the May figure was £1.7 billion, £200 million lower than forecast (largely because of lower supply expenditure), but higher than some commentators seem to expect. Our press briefing will underline that though cumulatively over April and May the CGBR is £1 billion higher than it was in the same period last year, the difference is nearly all accounted for by higher on-lending, particularly to local authorities, which will not necessarily increase the PSBR compared with last year.

Yours ever,

J O Kerr

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