



Treasury Chambers, Parliament Street, SW1P 3AG

Andrew Turnbull Esq
Private Secretary (Economic Affairs)
10 Downing Street

14 February 1984

Dear Andrew,

PUBLIC EXPENDITURE WHITE PAPER - BRIEFING

I am enclosing a copy of the main question and answer brief prepared for the Chief Secretary's Press Conference to launch the Public Expenditure White Paper at noon on Thursday 16 February. (I shall send you tomorrow morning the much longer background briefing which is still being finalised.)

2. Much of the material in the White Paper has been anticipated by the Press and it contains nothing which is newly controversial. It seems unlikely, therefore, that it will give rise to Questions to the Prime Minister on Thursday afternoon. You may however, like to look particularly at the following items in the brief, which might possibly come up:-

- i. Q3 - 1983-84 outturn: effect on the PSBR.
- ii. Q7 - Realism of the plans/risk of overspending.
- iii. Q11 and 12 - Real terms comparisons (a point which TCSC will make in their report on the Autumn Statement to be published tomorrow)
- iv. Q14 - Unemployment assumption.
- v. Q17 - Green Paper on the long-term.
- vi. Q21-26 - Capital expenditure (particularly Q22 and 24 on the "built infrastructure").
- vii. Q27 - Defence - the NATO commitment.
- viii. Q39-41 - Housing Benefit
- ix. Q42-46 - Local authority spending.

3. You may also have seen comments in the papers last Sunday that cuts in the Defence programme could put the Trident and other major defence projects in doubt (copies attached). On this we would suggest an answer as follows:-

Defence cuts?

(X) There are no "huge cuts in defence spending" as one Sunday newspaper speculated. On the contrary, by 1985-86 defence spending will have increased in cost terms for seven years in a row. Provision for equipment in 1985-86 will be over (fifty) per cent higher in cost terms than in 1978-79.

4. If there is anything further you need, perhaps you could have a word with Tony Hart in GEP1 (ext 7208).

5. I am copying this letter to David Hayhoe.

yours sincerely
JG

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