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PRIME MINISTERPublic expenditure survey

The Chief Secretary's proposals are more-or-less the same as for last year. The timetable is set out at Annex A.

Some colleagues may object to the 2½% uplift for constructing the base line 1987-88, when the MTFs assumption for inflation in that year is around 3%. They may argue that if the Treasury wants a real cut it should seek it as part of the survey and not through the technical assumptions for constructing the base line.

Before responding you might like to see how colleagues react on this point.

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22 March 1984