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NBPM AT 17/12 CCMO

SECRETARY OF STATE FOR THE ENVIRONMENT

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:

17 December 1984

Dear Peter,

PUBLIC EXPENDITURE WHITE PAPER: CAPITAL SPENDING

I have seen a copy of your Private Secretary's letter of 13 December to the Prime Minister's Private Secretary.

I agree with you that the figures in the enlarged version of Table 1.13 on capital spending are not good. However, I also agree that it would be better to publish them now rather than run the risk that, by projecting forward the substantial drop between 1984/85 and 1985/86, our critics might be able to argue that the future is worse than we expect it to be. (If that sounds like faint praise I'm sorry!)

We cannot comment in detail on the figures in the draft Table 1.13, because it is not clear how they have been compiled. If they follow the conventions used for the equivalent Table in last year's White Paper, some explanation similar to last year's, particularly of the treatment of receipts from council house sales, should be included. If different conventions have been adopted, this too should be explained.

I am copying this to the Prime Minister, Cabinet colleagues and Sir Robert Armstrong.

Yours ever

Patrick

PATRICK JENKIN

The Rt Hon Peter Rees QC MP

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