

Public Exp. File
(1985).

Cost File

July 1985.

PRESS LINE AFTER CABINET

as subsidised red books

The Cabinet today had its usual July discussion of the next public expenditure review, for 1986-87 to 1988-89. It confirmed that ^{total} aggregate public expenditure in 1986-87 and 1987-88 should be held to the established plans; and agreed that the total for the new year, 1988-89, should be broadly at the 1987-88 level in real terms. The Chief Secretary will now embark on discussions with individual Departments in the light of this decision.

SUBSIDIARY POINTS

1. Reaffirm the Government's commitment to the control of public expenditure;
2. Emphasise the scope for increased value for money from existing programmes as the Audit Commission and the Efficiency Unit have shown;
3. Reiterate the Government's commitment to the reduction of direct taxation; and
- ~~4. Note the uncertainty of the proceeds of privatisation.~~

5. Int. Rules

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Borrowing repayment
also not decided by
the market.