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22 July 1987

David Norgrove Esq
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Dear David

PUBLIC EXPENDITURE CABINET: LINE TO TAKE

The Chancellor and the Chief Secretary have been giving some thought to what might be said after the Public Expenditure Cabinet. They suggest the following:-

The Cabinet had its usual July discussion of public expenditure today. It reaffirmed the policy that public expenditure should continue to take a declining share of national income, as set out in the last Public Expenditure White Paper. Within that constraint, the Chief Secretary will hold bilateral discussions in the Autumn. In the light of these, the Government will review both the individual spending programmes and the planned totals for spending, and will, as usual, announce its decisions in the Autumn Statement in November.

The Chancellor would be grateful to know if the Prime Minister is content.

I am copying this letter to Bernard Ingham.

*Yours
Alec*

A C S ALLAN
Principal Private Secretary