

CCB/KP

PRIME MINISTERCABINET: PUBLIC EXPENDITURE

The attached Cabinet Office brief, together with the Chief Secretary's paper, cover all the main points. (The Chief Secretary's paper incorporates comments I fed in over the weekend.)

Three other points:

- (1) Given the plan for the Chancellor to make his oral statement and release various printed documents in the afternoon, it would be very helpful for the Treasury if the discussion could be completed early in the Cabinet meeting. At the moment the Agenda has this as Item 5. I suggest you bring it forward - perhaps immediately after Parliamentary and Home Affairs. Top-up loans for students can be left as Item 6.

Chief Sec
Chancellor
Kragg
Dufour

- (2) The briefing suggests that, after the Chief Secretary and Chancellor have spoken, you should invite Mr. Parkinson to comment. You will also want to consider the order in which you invite others to speak after that. After discussion with the Chancellor's office, I suggest you follow the following guidelines:

- have Mr. Younger next;
- ensure that Mr. Walker comes roughly in the middle of the discussion, and is immediately preceded and followed by a strong supporter, eg Lord Young and Mr. Ridley;
- you may also want to space out contributions by one or two others, eg Mr. Hurd and Mr. Baker; - Walker,
- leave the Foreign Secretary until the end.

For. Sec.

- (3) I have agreed with Bernard the form of words given in paragraph 9 of the Cabinet Office brief to be released to the press after Cabinet.

PLG

PAUL GRAY

31 October 1988