

B
B SA



Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

Paul Gray Esq
Private Secretary to
Prime Minister
10 Downing Street
LONDON
SW1

3 July 1989

Dear Paul

Revised

PUBLIC EXPENDITURE CABINET: LINE TO TAKE

The Chancellor and Chief Secretary have been considering further the remit that Cabinet might be invited to endorse. They now propose a slightly different formulation from that in my letter on Friday:

"Cabinet agreed to maintain the downward trend in the ratio of public spending to national output and to hold as close as possible to existing plans."

I am copying this letter Carys Evans.

Yours
Alex

A C S ALLAN