

PRIME MINISTER

1989 PUBLIC EXPENDITURE SURVEY: STAR CHAMBER

The Chief Secretary is still in negotiations on Social Security, Defence, Transport, and Education. He is seeing Mr MacGregor tomorrow and is hopeful of settling that. While negotiations on the other three are continuing, the prospects for settlement are less clear. The Chief Secretary and the Chancellor both now think the time has come to constitute the Star Chamber. Cabinet Office are also keen to make the arrangements which would allow its work to start promptly next week.

The membership they have in mind is:

Lord President
 Chief Secretary
 S/S Health ✓
 S/S Trade and Industry ✓
 S/S Employment ✓

plus, if he has settled, S/S Education and Science. If Mr MacGregor has not settled they would prefer to have a group of five rather than add Mr Wakeham. The smaller group should be sufficient to cope with four programmes.

Content that the arrangements for setting up Star Chamber now be put in hand?

Content with membership?

Yes

Content not to replace Mr MacGregor if he has not settled?

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Yes

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ANDREW TURNBULL

11 October 1989