

PRIME MINISTER

CABINET: PUBLIC EXPENDITURE

You briefly discussed the handling of the Cabinet discussion on public expenditure with the Chancellor this afternoon.

The Chief Secretary's Cabinet paper is at Flag A. And a Cabinet Office handling brief is at Flag B. The latter covers all the main points, including the proposed form of words that Bernard should use following the meeting.

The one point not covered is the order in which Cabinet members might speak. You will want to adopt your usual approach of interleaving speakers. You may find it helpful to have to hand the lists below: I've put likely strong supporters in the left hand column. You will want to start and end with some speakers from this list; and to bring in those from the other two lists in the middle of the discussion.

Trade and Industry	Health	✓ Wales
Defence	Scotland	✓ Chancellor of the Duchy
✓ Education	Foreign Secretary	
✓ Transport	Social Security	
Northern Ireland	Environment	
Lord Chancellor	✓ Lord Privy Seal	
Agriculture	Lord President	
Home Secretary		
Energy		
✓ Employment		

*Paul*

PAUL GRAY

14 November 1989