



10 DOWNING STREET

From the Private Secretary

MR. WRIGHT
CABINET OFFICE

Rayner Report on the Central Statistical Office

The Prime Minister discussed on 31 December with Sir Robert Armstrong, Sir John Boreham and Sir Derek Rayner the recommendations set out in Sir Robert's minute of 22 December (ref A03853).

In the case of Prestel, Sir John Boreham explained that the information put out through Prestel was costing CSO £24,000 per annum. Receipts to date were only £1,000 per annum, although there were now many more Prestel subscribers. The issue was whether to show a degree of Government support for this way of making information available. The Prime Minister accepted that this might be a legitimate aim of Government but wished the Department of Industry to meet the cost. It might be possible to find the necessary funds through the micro-processor awareness project, or some other DOI programme. Sir Robert Armstrong undertook that he and Sir John Boreham would investigate the possibilities with the Department of Industry.

The Prime Minister agrees that work on input/output tables, production accounts, cyclical indicators and productivity measures should be continued on the basis proposed in Sir John Boreham's minute of 18 December.

She was far from convinced that the input/output tables were a useful aid to decision making, or that they were in practice used for this purpose. She asked that a note should be prepared showing how much these tables were used in the preparation of papers coming to her.

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In the case of cyclical indicators, the Prime Minister argued that their success in one cycle was probably fortuitous. Sir John Boreham explained that cyclical indicators had worked elsewhere, and those used by CSO were based on observation of past trends. If they proved completely inadequate in predicting the next upturn, he would be ready to abandon them.

In the case of production accounts, the Prime Minister accepted that they had a useful function in enabling CSO to check their series.

The Prime Minister also agreed that CSO should continue its experiment with productivity measures, given the minimal cost involved.

The Prime Minister would now like Sir John Boreham to implement the findings of the Rayner study team, subject to the modifications agreed at the meeting.

I am sending copies of this minute to Peter Unwin (Central Statistical Office) and Clive Priestley (Sir Derek Rayner's Office).

M. A. PATTISON

2 January 1981