

CONFIDENTIAL

PRIME MINISTER

EXPENDITURE COMMITMENTS

Both Ferdy and I are worried by the mounting pressures that will arise from now until the Election for you to agree to additional expenditure items. These will be presented as attractive vote catchers. But in our view, one of your main strengths at the Polling Booth is that you are not a leader who attempts to buy the votes of the electorate.

We expect that there will be a number of seemingly attractive propositions, particularly from Norman Fowler and perhaps from Patrick Jenkin and others. But the warning noises we have from the Treasury suggest that the public sector is tending to overrun its target spending already. And any acceleration of public spending may cause the electorate to wonder whether the resolution has faltered. Your refusal to countenance any additional spending commitments will send the right signals to colleagues, party workers and the electorate.



ALAN WALTERS  
11 May 1983

CONFIDENTIAL