

CCBB



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18th December 1986

See Max,

NBM

1987 PUBLIC EXPENDITURE WHITE PAPER

Your letter of 10th December and Jill Rutter's of 12th December circulated the draft 1987 Public Expenditure White Paper.

Mr Younger is generally content with the draft. He has noted, however, that there are a number of editorial amendments which should be incorporated; these are attached.

In addition, Mr Younger has recently endorsed revised totals for future civilian and Service manpower, which we would like to incorporate in the PEWP to make it consistent with the 1987 Statement on Defence Estimates. These are also shown in the attachment, together with a list of the references which need to be changed. I would be grateful if you would ensure that these amendments are incorporated.

Finally, Mr Younger has noted the addition to the "main points" section suggested by the Chancellor of the Duchy of Lancaster (Andrew Lansley's letter of 16th December), as amended by the Chief Secretary. He would prefer not to refer to "smaller increases", but to say 'In other areas, most notably defence, provision takes into account the substantial increases made in earlier years'.

I am copying this letter to those to whom you copied yours.

J F Howe
J F Howe

(J F HOWE)
 Private Secretary

M C Felstead Esq
 Private Secretary to the Chief Secretary
 HM Treasury

DETAILED AMENDMENTS

Part 1

Paragraph 18, line 4: Delete "to" insert "with".

Paragraph 90: Civil Service Manpower: This paragraph may need amendment to reflect the reductions in MOD civilian manpower numbers indicated below.

Paragraph 92: Armed Forces: Delete "329,700", insert "325,500". Delete the second sentence in toto, and insert "This reflects the Government's aim of making more efficient use of the manpower needed to support the defence programme."

Part 2

Paragraph 54: Armed Forces

Delete "3%", insert "2.5%".

Delete "329,700", insert "325,500".

Delete final sentence, insert "This reflects the Government's aim of making more efficient use of the manpower needed to support the defence programme."

Table 2.14: Public Sector Manpower

Amend MOD manpower numbers as follows:

		<u>1.4.87</u>	<u>1.4.88</u>	<u>1.4.89</u>	<u>1.4.90</u>
Civilians	Delete		150.0	149.0	149.0
	Insert		148.0	147.0	147.0
Armed Forces	Delete	330.5	329.7		
	Insert	329.6	325.5		

Part 3

Table 3.1.1; footnote 2: After "defence capital spending", add "plus capital expenditure of RP plc".

Paragraph 9, lines 7/8: Delete "have now been extended", substitute "were extended in 1985".

Paragraph 12, line 3: Delete "it is estimated that". Start sentence "Since 1979"

Paragraph 12, line 5: Delete "£28 million", substitute "£30 million".

Table 3.1.4: Personnel figure for 1984-85 should be 34.9, not 35.0.

/Paragraph 17 ...

Paragraph 17, lines 5,6: Delete "research, development and production and repair and into systems expenditure", substitute "various categories".

Table 3.1.5: the figure of 14.2 in the 1979-80 column should be centred between research and development.

Table 3.1.6: Air Force General Purpose Forces for 1985-86 should be 20.5, not 20.4.

Paragraph 24, line 2: Delete "this year", substitute "last year".

Table 3.1.9: Armed Forces Manpower

		<u>1.4.87</u>	<u>1.4.88</u>
<u>Regular Forces</u>			
UK Based	Delete	320.9	320.1
	Insert	320.0	315.9
Total	Delete	330.5	329.7
	Insert	329.6	325.5

Table 3.1.10: Nuclear Strategic Forces for 1984-85 should be 2.1 not 2.3.

Other Army Combat Forces for 1984-85 should be 101.2, not 101.3.

Table 3.1.11: UK Based Civilian Manpower strengths

	<u>1988</u>	<u>1989</u>	<u>1990</u>
Delete	150	149	149
Insert	148	147	147

Paragraph 30, line 6: Delete "the contractor", substitute "the Dockyards". Final sentence; delete "and overdue".

ECON. POL: Public expenditure ; Part 36.

