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1977 to 1980
CONFIDENTIAL



cc David N. Brown
L. Conomy

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Mr Bond, Today,

TOMORROW'S PUBLIC EXPENDITURE CABINET

We suggest that you should issue a press statement along the following lines after tomorrow's Cabinet:

"Cabinet today successfully concluded its work on the 1987 Public Expenditure Survey. The outcome, together with the Industry Act Forecast, will be set out in the Autumn Statement which the Chancellor proposes to make to the House on Tuesday, 3 November."

This form of words has been approved by the Chancellor for consideration by the Prime Minister.

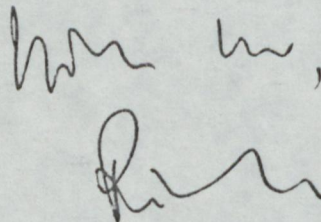
2. There are two awkward areas on which you might be questioned.

3. First, the Lobby will ask what is meant by "successfully". You might reply, first, that agreement has been reached on all programmes and, second, that the Government's objectives as agreed at the July Cabinet have been met. In the Chancellor's own words (interview in The Independent, 24 September) these objectives were as follows:

"What we agreed [in July], first was not to go above the percentages that had been set in the White Paper on Public Spending; and within that upper limit to get as close to the planning total as we sensibly could."

It goes without saying that you should give nothing away about the planning totals agreed for the three years, or any other details of the programmes beyond those (eg on social security and RSG) already announced.

4. Second, I expect that you will be pressed on why it is necessary to delay for five days before the outcome of the Survey is published, and why last year's procedure could not be followed. You should point out that it takes time for the printed documentation to be pulled together. Last year was exceptional because Parliament was about to be adjourned for prorogation. We are now reverting to the more normal pattern of 1985 and previous years.

A handwritten signature in dark ink, consisting of a series of loops and curves, positioned above the printed name.

R I G ALLEN