

CONFIDENTIAL

FROM: CHIEF SECRETARY
DATE: 22 April 1988

PRIME MINISTER

FINANCIAL REPORTING TO PARLIAMENT

I have seen the Lord President's minute of 15 April setting out his views and those of the Chief Whip on the implications for the timing of debate of the proposed changes in expenditure documents.

2. While transferring the day in February at present allocated to a debate on public expenditure generally to an Estimates day in May/June in many ways is more consistent with the revised structure of documents, I can understand the worries the Lord President expresses. Certainly we would not want to add a day in May/June for debate of specific programmes and then find ourselves conceding, under pressure from the Opposition, an extra day for general debate at the start of the year.

3. I am therefore content that he should open discussion with the Opposition with the proposal that there should be a two day debate on the Autumn Statement. This is, of course, in addition to the economic day in the Queen's Speech debate which, in many years, has come immediately after the Autumn Statement and has provided the forum for immediate reactions to it. As the Chancellor would have to open and take part in the debate, it would have to take place as soon as possible after Parliament returns from the Christmas recess and certainly before mid-January so as to avoid the period of Budget purdah between mid-January and Budget Day. We should also try to establish that the second day was devoted to public expenditure issues.

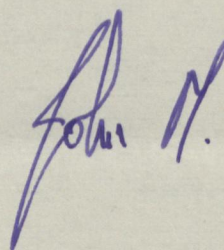
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4. It may be that there will be insufficient interest in a second day, as was the case with the old public expenditure debate. If that proves to be the case we should have to reconsider.

5. Neither the Chancellor nor I are keen on upgrading the Third Reading of the Finance Bill into a full debate on the economy. We would not want the Lord President to volunteer this and would want to put it forward only if it were necessary to secure agreement of the Opposition and the Select Committees to a package.

6. The Chancellor and I are content with the revised paragraph 14 of the memorandum suggested by the Lord President, though it would leave the Government's position slightly more open if the last sentence read "... the Government is not yet convinced that ...". If you are now content, I will arrange for the memorandum to be sent to the TCSC and PAC.

7. I am copying this minute to Cabinet colleagues, David Waddington, Richard Luce, Christopher Patten, Patrick Mayhew, Kenny Cameron and to Sir Robin Butler.

A handwritten signature in blue ink, appearing to read 'John M.', is written above the printed name.

JOHN MAJOR

Elon's Public

Expenditures

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