

PRIME MINISTER

cc Mr Mount

Five Year Forward Looks

The Chancellor wants to raise with you the handling of the Five Year Forward Looks. His immediate point is whether the Treasury should comment on the implications for expenditure.

I have discussed the handling of the Forward Looks with Sir Robert Armstrong and Ferdie Mount.

They are relevant for two purposes:-

as background to the long term public expenditure exercise; and

as a basis for preparing the programme for the next Government.

On the latter, you know that the Chancellor has a number of policy groups. The Forward Looks - many of which are classified - should not go to those policy groups or to the Conservative Research Department. But Peter Cropper could be asked personally to analyse them and extract the points relevant to the next Government's programme, so that these points can be considered alongside the conclusions of the policy groups.

For both the purposes mentioned above it would be useful to you and the Chancellor to have the Treasury's comments on the expenditure implications of each Department's plans: these comments will be relevant both to the long term public expenditure exercise and to the preparation of the programme for the next Government.

/Members

Members of the Cabinet will soon start asking what you are doing with their Forward Looks: we are preparing a form of words which you could use in Cabinet, thanking your colleagues for their papers and telling them in general terms how you are proposing to use them.

F.R.B.

18 January 1983