

*Prime Minister*

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PRIME MINISTER

*I don't think we can go back on Cabinet decisions. Has the cabinet been published? Shall I say "No"?*

*Mr Biffen apparently fears that the assumption will be forced out of Ministers. However, Cabinet was clearly against the inclusion of this, whatever the precedent - and the minutes will record as such. Shall I say "No"?*

UNEMPLOYMENT ASSUMPTIONS IN THE PUBLIC EXPENDITURE WHITE PAPER

*PL 25/6*

It was proposed at Cabinet today that the unemployment assumptions shown in the social security paragraph of the draft White Paper should be deleted. I have now had a further look into the background to this, and if you agree I think we should still include them.

2. The assumptions used for unemployment and real earnings were given in the last public expenditure White Paper (Cmd 7439). The Expenditure Committee, in its Eighth Report in Session 1977-78, had recommended that Parliament should in future be given the assumptions about future levels of unemployment and the expected growth in real earnings on which the social security expenditure figures are based. The previous Government said (Cmd 7382) that this would be done in the next White Paper.

3. As this precedent already exists, I feel we should give the unemployment assumptions in the White Paper next week. We are justified in not providing a real earnings assumption as this is no longer of central importance to the social security programme, now that prices-only uprating is used. But if we fail to provide the unemployment assumptions we would be being less helpful to Parliament than Denis Healey was prepared to be.

4. I should be grateful for your agreement therefore that the unemployment assumptions should be included in paragraph 39 of the White Paper.

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5. I am copying this letter to other members of the Cabinet  
and to Sir John Hunt.

WJB

JOHN BIFFEN

25.10.79

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25 OCT 1979



10/25/79