4th December 1979

Thank you very much for your letter of 28th November.

I am most grateful to you Mor having written to me following last week's meeting of our Finance Committee.

It was clear that the views which you expressed in your letter were also held by members of the "92" at the dinner last evening, and I was very pleased that we were able to have a word then.

William Clark Esq MP



HOUSE OF COMMONS LONDON SWIA OAA

PERSONAL AND CONFIDENTIAL

28th November 1979

The Rt. Hon. Margaret Thatcher, M.P. Prime Minister, 10 Downing Street, London SWl

Dear Prime Minister

Last evening there was a meeting of the Back Bench Finance Committee with a good attendance of around 36 Members, 12 of whom took part in the discussion on 'Public Expenditure'.

I thought I should let you know that the general tenor of the whole debate was extremely critical of public expenditure for the forthcoming year. I think it is right to say that it was the almost unanimous feeling that the public expenditure "cuts" were not nearly sufficient. Many Members expressed the view that although they were receiving complaints from constituents, these complaints would not have been any more vociferous if the Government had cut much deeper. It was also felt that there was tremendous misunderstanding about public expenditure in that some local authorities and health authorities were dealing with wholly emotive sections of services, such as closing wards, old peoples homes, etc. The general public would wholeheartedly agree with cuts in administrative staffs at all levels.

Disquiet was of course expressed at the long term burden of high interest rates and the hugh size of the PSBR refunding when interest rates fell would be extremely difficult.

Ian Gow was present, as was the PPS to Geoffrey Howe I presume that both the Chancellor and the Chief Whip and a Whip. have been appraised of the feeling of the meeting.

I know it is extremely difficult for you to spare very much time at present, but if you think a brief chat would be of help you know you only have to say so.

Yours ever