

Introduction

This paper is presented as a basis for discussion of some of the main strategic problems facing the U.K. economy at the present time. It consists of a series of interrelated working papers produced in a few weeks by the Economic Policy Group in the Department of Applied Economics at Cambridge University. As the analysis and research underlying this study are still at a preliminary stage it has been thought essential to publish a very frank and detailed account of what factors were taken into consideration, what quantitative results emerged and, rather precisely, how these figures were actually obtained; and the quantitative results in the thirteen appendix tables (and elsewhere) contain sufficient detail for other people to bring precision to any disagreement or reservations they may have.

2. A summary together with the Group's own assessment of the policy implication of this paper is in course of preparation and will be available very shortly.
3. The first pages of manuscript were handed to Mrs Lilian Silk on Wednesday 9th Feb. and the entire document was completed, ready for circulation, on the evening of Saturday 12th.
4. The work of the Economic Policy Group is part of a research programme financed by the Social Science Research Council.

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