

Mr Malcolm Rifkind MP



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CONFIDENTIAL

PRIME MINISTER

SCOTTISH LOCAL AUTHORITY CURRENT EXPENDITURE 1980-81

In his minute of 12 September, Sir Robert Armstrong proposed to issue an amended version of the minutes of the Ministerial Committee on Economic Strategy on 10 September (E(80)32nd Meeting Minute 1), taking account of the alternative proposition then advanced by George Younger. In his minute of 16 September, the Chancellor of the Exchequer disagrees with this interpretation of the discussion - a view supported by the Secretary of State for the Environment.

Before his departure for Japan on 14 September, George Younger instructed me, in the event of disagreement about the record of this discussion, to request on his behalf that the matter should remain open to enable him to take part in person in any subsequent discussion, following his return from Japan at the end of next week.

In that event, it would not be possible to make an announcement on Thursday 18 September about the action to be taken in respect of overspending by local authorities in Scotland, in parallel with that to be made by the Secretary of State for the Environment. Since George Younger has already expressed his concern on 5 September to the Convention of Scottish Local Authorities about prospective overspending, and this has received wide publicity in Scotland, he considers that a short postponement of his announcement will be tolerable. The announcement for England and Wales will engender enquiries about the situation in Scotland. Such enquiries will be dealt with by reference to George Younger's earlier statements, and to the further consideration which he is giving to the matter with a view to an announcement shortly after his return from Japan.

I therefore seek on behalf of the Secretary of State for Scotland your agreement that the Ministerial Committee on Economic Strategy might give further consideration to the action to be taken in respect of local authority overspending in Scotland, and that meanwhile no announcement should be made in Scotland about this matter on 18 September, as originally proposed.

I am sending copies of this minute to the Chancellor of the Exchequer, the Secretary of State for the Environment and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to read 'M Rifkind'.

(Approved by Mr Rifkind  
and signed in his absence.)

17 September 1980



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FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

17 SEP 1980

