



PRINCIPAL PRIVATE SECRETARY

cc Financial Secretary
 Sir D Wass
 Mr Burns
 Sir K Couzens
 Mr Ryrie
 Mr Monck
 Mr Britton
 Mr Riley
 Mr Turnbull
 Mrs Lomax
 Mr Unwin
 Mr Middleton .

MLR IN THE BUDGET

The Chief Secretary has seen Sir Douglas Wass' minute of 2 March. He has commented that he finds the Walters contribution quite extraordinary in view of his other public views. The Chief Secretary believes that a one per cent reduction could be so disastrous politically that it ought not to be contemplated unless all the economic evidence pointed in its favour. Since this is clearly not the case, the Chief Secretary would certainly go for two per cent.

TM

T F MATHEWS
 3 March 1981