

SECRET



10 DOWNING STREET

From the Private Secretary

11 December 1984

SCOTTISH BLOCK: PUBLIC EXPENDITURE WHITE PAPER

The Prime Minister has seen the Chief Secretary's letter of 7 December to the Secretary of State for Scotland and the latter's reply of 10 December. While she has noted the arguments put forward by the Secretary of State for Scotland on the difficulty of defending slower growth in the Scottish block, she is disappointed, following the meeting on 8 November, that the Secretary of State does not feel able to offer larger savings. She would be grateful if the Lord President could discuss the issues with the Secretary of State for Scotland and the Chief Secretary to establish whether larger savings could be found.

I am copying this letter to John Graham (Scottish Office), Richard Broadbent (Chief Secretary's Office) and Richard Hatfield (Cabinet Office).

ANDREW TURNBULL

Miss Janet Lewis-Jones,
Lord President's Office.

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