CONFIDENTIAL

SUSTECT

CC MASTER

10 DOWNING STREET

LONDON SWIA 2AA

From the Principal Private Secretary

6 August 1987

Den Ales,

THE NEW PLANNING TOTAL

The Prime Minister had a brief discussion with the Chancellor of the Exchequer this morning about your letter of 5 August concerning proposals for a new planning total.

The Prime Minister said that, in the light of the arguments in the note attached to your letter, she was now more convinced by the merits of the proposal set out in the Chancellor of the Exchequer's minute of 30 July. She agreed that the Chancellor of the Exchequer could discuss the proposal with the Secretary of State for the Environment on a strictly confidential basis and that Treasury officials should talk on a similar basis to two or three key officials in DoE. The Chancellor of the Exchequer should then report the outcome of those discussions to her with advice on how to carry the matter forward. Meanwhile, she had not taken a final decision, one way or another, on the proposal.

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A. C. S. Allan, Esq. H. M. Treasury

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