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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Malcolm Rifkind QC MP
 Secretary of State for Scotland
 Scottish Office
 Dover House
 Whitehall
 London
 SW1A 2AU

NBPM

ARCG

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12th April 1988

Dear Secretary of State,

LOCAL GOVERNMENT CAPITAL SPENDING: CONSULTATION PAPER

with PG A 34
 You wrote to Nicholas Ridley on 28 March.

I am content with the line you propose to take in Scotland. If we do decide that Scottish local authorities should be allowed to use revenue contributions or accumulated receipts to increase their capital spending we would, of course, need to reduce the total available for allocations to ensure our expenditure plans are delivered.

I am copying this letter to other members of E(LF) and to Patrick Mayhew and Sir Robin Butler.

Yours sincerely,

John Major

pp JOHN MAJOR

(Approved by the Chief Secretary
 and signed in his absence)

LOCAL Govt: Relations

Pr 34

