

The Rt. Hon. Peter Lilley MP Secretary of State for Trade and Industry

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The Rt Hon Christopher Patten MP Secretary of State for the Environment 2 Marsham Street LONDON SW1P 3EB

Department of Trade and Industry

1-19 Victoria Street London SW1H 0ET

Enquiries 071-215 5000

Telex 8811074/5 DTHO G Fix 071-222 2629

Direct line Our ref

071 215 5623 JW10215

Your ref

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Thank you for copying to me your letter of 16 October to the Prime Minister.

There is no direct DTI interest in the 1991/92 capping procedures. Undoubtedly these will be controversial, but I agree that a firm line must be taken if spending is to be kept under control. An early statement may serve to moderate the budgets of potential high spenders.

I am copying this letter to the Prime Minister, E(LG) colleagues, Nick Lyell and Sir Robin Butler.

at Plant

LOCAL GOVIT: ROHES 1720

