



10 DOWNING STREET

Prime Minister

You will need to discuss procedure for securing agreement of colleagues.

On the substance

- (i) what rate of return would the increase produce in 1984-85 and how does that relate to the 1.4 per cent target already set?
- (ii) what rate of return is implied in 1985-86?
- (iii) should the increase be separately identified or rolled in?
- (iv) does increase need to be as big as 6 per cent?

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