

PRIME MINISTERMEETING WITH SECRETARY OF STATE FOR SCOTLAND

In addition to the Chairmanship of the Lothian Health Board the Secretary of State for Scotland is likely to raise the proposed study of needs assessment in the territories. You will remember that the Chief Secretary spoke to you about this before suggesting such a study ~~with~~^{to} the territorial Ministers. Progress has been slow and to date Mr. Hurd has agreed in principle to such a study provided the other territories agree (he is arguing that it should take until eternity to be completed). Mr. Edwards is likely to agree as he hopes it will demonstrate that Wales is hard done by.

Mr. Younger is still objecting to the principle of such a study. He feels even knowledge of its existence would be very controversial and that if, as he no doubt ~~feels~~^{fears}, it demonstrated that Scotland is being over-provided for, he would find it difficult to secure acceptance of the required public expenditure cuts.

I suggest you do not enter into substantive discussion with him but offer to hold a meeting with the Lord President, Chief Secretary and the territorial Ministers to consider whether to conduct such a study and, if so, how it should be handled.

AT

17 October, 1984