



10 DOWNING STREET

From the Private Secretary

Prime Minister ①

The Chief Secretary's minute deals with points raised by colleagues on his proposals for the 1985 Survey.

The most difficult point raised is that dealt with in para 7. Mr Fowler and Mr Heseltine both suspect that the uplift factor in 1988-89 is a backdoor way of cutting the programme.

The Chief Secretary argues that, as last year, the uplift is set a bit below inflation in order to generate a small margin to distribute between programmes as priorities change.

Agree Chief Secretary proceeds as originally proposed?

Yes no AT 22/4