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NDPM

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Cepo

SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 6106 (Llinell Union)

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switchboard)
01-233 6106 (Direct Line)

Oddi wrth Ysgrifennydd Gwladol Cymru

From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

16th July 1985

[Handwritten signature]

1985 PES REPORT: DTI CHAPTER

I have seen a copy of George Younger's letter of 10 July to you protesting at the suggestion in the DTI Chapter of the public Expenditure Survey Report that the off-setting saving preferred by the DTI would be a reduction in regional expenditure, which is described as that Department's area of lowest priority. This appears in paragraph 3 on page 71 of the circulated Report. The paragraph concludes that this would have implications for the territorial departments. That is putting it mildly.

with request to register

Now that responsibility for RDG in Wales and Scotland has been transferred to the territorial Departments the DTI suggestion can only be taken to apply to regional expenditure within England, of course. Nonetheless, as the text says, if adopted in England it would have implications for Scotland and Wales. At the meeting of the Public Expenditure Survey Committee which considered the final Report text my Principal Finance Officer made clear what my views were likely to be, and registered the claim that the two territorial Secretaries of State should be present or be represented at Norman Tebbit's bilateral with you if this sort of suggestion was to be on the table.

I agree strongly with the points George Younger has made in his letter. They apply equally in the three territories. The political effects in Wales as in Scotland would be most damaging. It is not acceptable for the matter to be discussed between you and Norman alone. I hope therefore that George and I will be invited to any such discussion.

/ I am copying this letter to the Prime Minister, George Younger and other members of E(A).

[Handwritten signature]

The Rt Hon Peter Rees QC MP
Chief Secretary to the Treasury