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SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1P 3AG

NBM - 23 February 1987

Dear Chief Secretary

Your memorandum of 12 February to the Prime Minister set out proposals for the arrangements for the early part of this year's public expenditure survey. I note your alternatives to seeking percentage options for reductions of baselines but I assume that under the block budget ground rules this will not apply in the case of Northern Ireland. You can nevertheless be assured that I shall continue to pursue very vigorously the scope for maximum economies within the Northern Ireland Public Expenditure block.

I am sending copies of this letter to Cabinet colleagues, the Minister of State (Privy Council Office) and to Sir Robert Armstrong.

Yours sincerely
David Forster
for

TK
(Approved by the Secretary of State
and signed in his absence in Northern Ireland)



Recd Pol

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