



SUBJECT

CC MASTER

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

15 September 1987

Dear Alex,

PUBLIC EXPENDITURE SURVEY: CONDITIONS OF SERVICE OF THE
DIPLOMATIC SERVICE

The Prime Minister had a word with the Chancellor this afternoon at their bilateral about the Foreign Secretary's minute of 10 September to the Chancellor which discussed conditions of service of the Diplomatic Service.

The Prime Minister said she was not unsympathetic to the points made by the Foreign Secretary. A number of staff in the Diplomatic Service were compelled to work in very difficult conditions and these difficulties were increasing. The Prime Minister felt that the Foreign Office should certainly make a contribution towards the cost of their proposals - there were occasions when they were extravagant - but she hoped the Chief Secretary would feel able to offer some help in this.

The Chancellor undertook to pass this on to the Chief Secretary.

Yours,
David

(D.R. NORGROVE)

Alex Allan, Esq.,
HM Treasury.