

PRIME MINISTER

## MEETING OF E(ST)

The last meeting of E(ST) commissioned the Chief Secretary to report back on the reallocation to basic science of the PES savings from other science and technology programmes.

The meeting is currently scheduled for next Wednesday 19 October at 1500.

The Chief Secretary's minute of 14 October (Flag A) reports that he has concluded bilateral agreements with all the relevant spending ministers. You will see that he has felt obliged to agree substantially higher additions to the DES programme than was available from savings elsewhere. As he says that underlines the need to secure further savings on Agriculture and DTI next year.

But the immediate issue is whether, given that the Chief Secretary has settled all the programmes within this year's Survey, there is <sup>any</sup> ~~no~~ point in proceeding with Wednesday's E(ST) meeting. I see little point in going ahead with it. This view is supported by the Policy Unit (see Flag B).

If you wanted to have a private word with the Chief Secretary about the outcome, you could do this in the context of the more general public expenditure talk with the Chancellor and Chief Secretary scheduled for 1430 hours on Monday.

Content:

- (i) to cancel Wednesday's E(ST) meeting? Yes
- (ii) for me to minute out endorsing the importance of finding further significant savings in the 1989 PES round and including the specific points raised at the end of the Policy Unit note? Yes not

Recg.

PAUL GRAY

14 October 1988

SLHBBK