



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

**CONFIDENTIAL**

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

*MBM*

*Rec 15/6*

15 June 1989

*Dear Norman,*

**PUBLIC EXPENDITURE SURVEY 1989**

*at heart*  
I note from your letter of 25 May to the Chief Secretary that you intend to have a meeting with Peter Walker and me to discuss your PES 89 proposals. I welcome this opportunity and look forward to hearing further from you about the proposed meeting.

I note that you expect to be able to maintain the momentum on existing programmes and to introduce TECs within existing baseline provision. I am aware that will not be easy. In Scotland and other parts of the country away from the prosperous South East the improvement in the employment situation has been slower and started from a lower base. There is a long way to go yet and there remains a risk that the present gradual improvements in the employment situation could be slowed or halted. I therefore share your view that this is not the time for further major reductions. What is needed now is a period of stability while we establish TECs and Scottish Enterprise.

I am copying this letter to the Prime Minister, the Chief Secretary and the Secretary of State for Wales.

*Yours ever,*  
*Malcolm Rifkind*

MALCOLM RIFKIND

Econ Re: Exp.

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