

PRIME MINISTER

UPDATE ON PES NEGOTIATIONS

I understand from the Chief Secretary's Office that the Home Office programme has now been settled.

Some progress has also been made on both Education and Employment: the gaps have been narrowed. Further contact with both departments is expected tomorrow.

The Defence programme will be discussed again tomorrow. Treasury are hopeful of a settlement.

In the meantime Cabinet Office have put back the first Star Chamber session till later this week. But they now share the Chief Secretary's expectation that Star Chamber will not in practice have to be convened.

BHP

BARRY H. POTTER

15 October 1990

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