

CONFIDENTIAL

NSPM at this stage

AT
14/1

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Patrick Jenkin MP
 Secretary of State for the Environment
 Department of the Environment
 2 Marsham Street
 London
 SW1P 3EB

11 January 1985

Patrick Jenkin

RSG DEBATE

Thank you for sending me a copy of your letter of 10 January to Willie Whitelaw.

You rightly said on 11 December that "the targets for low spending authorities [in 1985-86] fulfil to the letter the undertakings that I gave to the House last January" (Col 910). I do not think that it is necessary for you to suggest or give any undertakings about the future of targets or their nature in 1986-87 in your opening speech in order to get a good majority on Wednesday.

Certainly your Alternative B goes much too far. Our plans for local authority expenditure in 1986-87 imply a reduction in cost terms; and it cannot be right to promise now to some authorities a standstill and to others an increase compared with 1985-86 when, as the Prime Minister said in Cabinet yesterday, it will be essential to keep spending under strict and effective control.

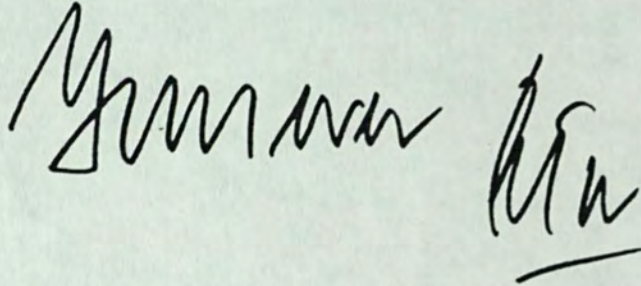
If however you judge, as the debate progresses, that something must be said to pacify our own benches, I would reluctantly agree to Kenneth Baker's using the substance of your Alternative A when he winds up. You will find on the attached sheet a very few small amendments which I would like to see made.

I hope you and other colleagues will accept this as a reasonable way forward. If so, perhaps we do not need to trouble Willie with a meeting on Monday.

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I am copying this letter to the Prime Minister, Willie Whitelaw, other members of E(LA), the Lord Privy Seal, the Paymaster General, the Chief Whip and Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Peter Rees', with a horizontal line underneath the name.

PETER REES

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Paragraph 1, first sentence

Delete "unless I can offer them some reassurance". [This will only incite them to ask for more!]

Paragraph 1, second sentence

Substitute "individual authorities" for "public expenditure". [We shall be publishing the detailed public expenditure plans in the following week.]

Paragraph 2, first sentence

Delete "for 1986-87." [I would prefer not to be specific.]

Paragraph 6

Insert "these" before "low spenders." [For the avoidance of doubt.]

LOCAL GOVT: Relations,

112 JAN 1985

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