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NOTE FOR THE RECORD

DTI: Expenditure Programme

Before the meeting between the Prime Minister, the Chancellor of the Exchequer and the Chief Secretary, the net addition to base line for DTI's main programme, excluding regional policy was:

+115                      +110                      +21

At the meeting Mr. Tebbit offered further savings of:

10                              43                              50

In her personal minute of 4 October the Prime Minister asked him to extend these savings to:

13.4                              53                              60

Mr. Tebbit's Private Office (Ruth Thompson) 'phoned today to say that he had accepted this proposal. The agreed position, in relation to base line is therefore:

+101.6                      +57                              -39

In addition Mr. Tebbit will pursue savings on ECGD bilaterally with the Chief Secretary.

I advised Ruth Thompson that the next stage was for Mr. Tebbit to reply to the Prime Minister signifying his agreement to her proposals, and copying his letter to the Chief Secretary. Meanwhile I have informed Sir Robert Armstrong's that the way is now clear for Mr. Tebbit to serve on MISC 106.

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