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From the Private Secretary

31 July 1987

A NEW PLANNING TOTAL

The Prime Minister has seen the Chancellor's minute of 30 July, and paper, which put forward the case for a new planning total which would concentrate on the expenditure for which Central Government is directly responsible.

The Prime Minister wishes to discuss this proposal with the Chancellor in September and in the meantime she has asked that knowledge of it should not go outside the Treasury. She is herself very dubious about it, fearing that it would be taken as a signal that the Government were giving up the battle to control local authority expenditure.

DAVID NORGROVE

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