



n.b. P.M.
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The Rt Hon Norman Lamont MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
London
SW1P 3AG

22 June 1990

Dear Norman,

ALP
PUBLIC EXPENDITURE SURVEY 1990: FORESTRY COMMISSION

Thank you for your letter of 11 June.

I have to say that I regret the Treasury's inflexible line on additional bids. The management grants, which we all agree are necessary and valuable, are a new programme. We ought to take account of the savings that Inland Revenue will make when the tax relief on forestry maintenance expenditure ends in 1993/94.

However, we will be open to criticism if we do not announce soon the outcome of the broadleaves review, which began in October 1988, and from this we need to be able to confirm that management grants are to be introduced. I have therefore asked the Commission to explore urgently with your officials ways of achieving our aim of an announcement before the Summer Recess while not embarrassing your effort to restrain public expenditure.

I am copying this letter to the Prime Minister. Copies are also being sent to John Gummer and David Hunt, who concur with my views, and to Chris Patten.

Yours over,
Malcolm Rifkind

MALCOLM RIFKIND

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