

SUBJECT

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Note for the record

Top copy

c.c. Sir Robert Armstrong
Mr. Whitmore

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At their meeting yesterday afternoon, the Prime Minister and the Chancellor discussed the question of whether, and when, Cabinet should have a discussion on economic policy. The Chancellor suggested that it would be a good idea to have, say, 4 economic policy discussions a year; when foreign affairs was on the Cabinet agenda every week, it seemed unreasonable to many colleagues that there should never - or hardly ever - be anything on economic policy. He thought a commitment of some kind to have a discussion every three months would help to mollify some of the critics within the Cabinet. He suggested that there should be a first discussion either at the meeting at which the PESC guidelines were to be discussed, or possibly at the meeting prior to that discussion. This would mean either economic policy and PESC on 30 April, or economic policy on 30 April and PESC on 7 May. He proposed to set out his proposals in a minute in the next few days.

The Prime Minister expressed some doubts about the wisdom of having a regular economic policy discussion; but she was prepared to contemplate a discussion in conjunction with the discussion of the PESC guidelines.

Top
J.

J.P. LANKESTER

2 April, 1981.

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I had a word with Robert Armstrong on
Day before this morning when he set up the
discussion on economic policy which Cabinet agreed
this morning. I do not think, for example, that we
want a report of the Baines committee we have
last July. There have not been a paper from the
committee which he introduced in the morning way.
Robert & I agreed that in the first instance he
not have a word with Douglas Hoare about this.

JPL
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