

PRIME MINISTER

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Meeting with the Chancellor tomorrow, 20 October

You are seeing the Chancellor twice tomorrow. First, at 9 o'clock, is purely to cover the public expenditure discussions in Cabinet later on. At the 4 o'clock meeting I understand that the Chancellor will wish again briefly to consider how best to handle subsequent discussions on public expenditure in the light of progress at tomorrow's Cabinet. He will also want to make some general points about Cancun. (He was unable to get to today's briefing meeting because of his meeting in Luxembourg.) He is also rather worried about the effect on markets of leaks of the public expenditure discussions and I would expect him to raise this with you. The future of the CSD, in particular the question of who would be the Minister in charge of the enlarged Treasury team, is also on his agenda.

MUS

19 October 1981