

CONFIDENTIAL

PRIME MINISTER

BILATERAL WITH THE CHANCELLOR

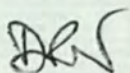
You are seeing the Chancellor tomorrow at 0945. I suggest you limit the meeting to half an hour.

Two items on the Agenda:

The first item is the meeting with Lord Young on enterprise and employment. The Chancellor feels strongly as you know, that this meeting is very unfortunate. There is a separate minute from Nigel enclosed. The meeting was set up two months ago and I regret that I did not spot the clash - but neither the Policy Unit nor I expected Lord Young to come in with such a wide range of very expensive proposals.

The other item is the handling of Cabinet. I am not sure what the Chancellor has in mind here. But one question is what should be told to the Press.

Bernard has already told them, having consulted Lord Whitelaw's office, that the Star Chamber has completed its work and that Cabinet will be discussing the outcome of the Survey tomorrow. Bernard would like to be able to tell them after Cabinet tomorrow that the Survey has been completed, that the totals have been adhered to and that the Autumn Statement is to be published on 12 November. The Chancellor should bring with him the draft of a possible statement.



DAVID NORGROVE

6 November 1985

CONFIDENTIAL

E. R.

PRIME MINISTER

MEETING WITH LORD YOUNG

As I told you, the Chancellor would like your meeting with Lord Young postponed. He believes that it would be damaging to discuss Lord Young's latest employment package, with its considerable expenditure consequences, when the ink has not yet dried on this year's public expenditure exercise.

The Chancellor's concerns are understandable. But it is unreasonable to expect postponement of the meeting which has been arranged for a long time.

I therefore recommend that you tell the Chancellor that you will take the line with Lord Young that his proposals will be considered for announcement at next Budget time. The Treasury and the Department of Employment should therefore consider the proposals with a view to a further meeting with you in December/January and announcement, if measures are agreed, at next Budget time.

Meanwhile, there should be no hint of possibilities here outside interested departments. Other spending Ministers would, understandably, feel short-changed if they thought that Lord Young was in discussion with the Treasury for major extra expenditure.

N.W.

(Nigel Wicks)

6 November 1985



10 DOWNING STREET

PRIME MINISTER

The Chancellor has recently given three well received speeches -

Party Conference  
Mansion House  
and the Sun Alliance speech

on which he has spent considerable time in getting the presentation right.

You might like to compliment him on the results and urge that he keeps up his efforts on getting presentation right.

N.L.W.

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6 November 1985