

PRIME MINISTER

BILATERAL WITH THE CHANCELLOR

You might like to discuss with the Chancellor the approach to the Economic Summit. A minute from the Chancellor is below. It includes a revised draft opening statement on economic issues which covers the ground.

You may also like to bring the Chancellor up to date on your thinking about people, unless you have already set his mind at rest on the possible change you mentioned to him at the bilateral last week.

Finally, the Chancellor prepared the way with you last week for some fairly gloomy news about the prospects for output in the period before the benefits of lower oil prices start to feed through into our overseas markets towards the end of the year. He was very cautious with you, and the Treasury forecast is not complete, but it might be worth probing a little more how he sees the prospect: it could colour the tone of your comments over the next few weeks.

DRS

David Norgrove

29 April 1986