

18. 184
PRIME MINISTER

MEETING WITH THE CHANCELLOR

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The two main subjects are likely to be public expenditure and NIC. I will try to find out during the day how the score-card on public expenditure looks after MISC 99. Decisions may be needed on how to handle a short-fall if it arises, and whether a further meeting between you and Mr. Heseltine is needed or desirable. You may also want to discuss the problem of student awards with him.

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On NIC, the Chancellor has been reflecting following your conversation last week and he will want to up-date you on his thinking.

If there is time, you might discuss Ferdy's proposal for a policy White Paper - a copy of his note which the Chancellor has seen is attached. I believe the Chancellor has reservations, in particular the danger of it looking like a "hidden manifesto" if it contains new proposals and the danger of it becoming a boring catalogue if it merely repeats known proposals. He is considering an alternative approach under which key Ministers would be encouraged to make important speeches, extracts of which could be gathered together and issued as a Party document ahead of the Conservative Council meeting.

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2 November 1983