

PRIME MINISTER

BILATERAL WITH THE CHANCELLOR

The Chancellor is likely to raise the following:-

(i) Autumn Statement/BT

The Chancellor has spoken to Mr. Pattie and has, I believe, reached agreement though this is being cleared with Mr. Tebbit in Brighton. The Chancellor is likely to report that he will aim for an autumn Statement on Monday, 12 November with the economic day of the Queen's Speech Debate on the Tuesday. If the public expenditure discussions are not completed in time the Statement should be delayed two weeks. When faced with the choice between sticking to 16 November with the public expenditure round still going on and moving the impact day until after the autumn Statement, those handling the BT issue prefer to stick to their plans. 16 November is already becoming known publicly as the most likely day and a decision to delay would signal now that difficulties were expected with public expenditure.

(ii) The Exchange Rate and the Oil Market

(iii) The Prospects for Public Expenditure

(iv) The Chancellor's wish to appoint Mr. Peter Lilley as his PPS.

(v) The proposal that Mr. Burgner should move to the Industrial Relations Deputy Secretary post at the Department of Employment.

BT

17 October, 1984