

PRIME MINISTER

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BILATERAL WITH THE CHANCELLOR: 14 NOVEMBER

I think you have a relatively light agenda for tomorrow's bilateral with the Chancellor.

The main items to cover might be:

i) Autumn Statement

You saw various papers over the weekend and agreed the terms of the Chief Secretary's paper for Wednesday's Cabinet meeting. Papers enclosed for reference are:

- Flag A the summary of key figures the Chancellor gave you last week. (The only change from those proposals, to which I alerted you at the weekend, is the reduction in next year's Q4 RPI figures from 6.00 per cent to 5.75 per cent).
- Flag B the Cabinet paper.
- Flag C the draft text of the Written Autumn Statement.

A draft of the Chancellor's Oral Statement for Wednesday is not yet available. You might want to ask him to ensure you have a sight of it in your Box tomorrow night.

You may also want to have a word with him about the handling of Wednesday's Cabinet discussion. In particular you will want to check what points he proposes to make in the discussion and the ones you want to make; and you will also need to consider the order in which you invite Cabinet members to comment.

ii) Meeting of ECO-FIN

The Chancellor will be able to report on the outcome of today's meeting.

iii) Poland and the IMF

You will want to follow up the points raised in your telephone conversation with Chancellor Kohl.

*Paul*

PAUL GRAY

13 NOVEMBER 1989

C: bilateral.mrm