

SECRET



10 DOWNING STREET

*From the Private Secretary*

4 November, 1985.

**PUBLIC EXPENDITURE CABINET**

The Chancellor and Chief Secretary today discussed with the Prime Minister the Chief Secretary's minute of 1 November.

The Chief Secretary described to the Prime Minister the potentially more sensitive decisions which had been taken as part of the work of MISC 120. The likely market reception of the proposals on the Reserve and asset sales was also discussed. The Chancellor doubted that there would be an adverse effect on confidence.

The Prime Minister agreed the proposals on asset sales and the Reserve set out in the Chief Secretary's minute and that the Treasury should proceed as proposed there.

I am copying this letter to Rachel Lomax (HM Treasury).

(David Norgrove)

A handwritten signature in dark ink, appearing to be 'DN' or similar initials.

Richard Broadbent, Esq.,  
HM Treasury.

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