

CONFIDENTIAL

PRIME MINISTER

PUBLIC EXPENDITURE: HOUSING

I understand that you have decided to see Mr. Baker tomorrow evening on housing.

I suggest that you see Mr. Unwin for 20 minutes or so beforehand so that you can discuss with him the position now reached on housing, which is set out in the minute below. You will not be negotiating with Mr. Baker, but the background set out here may help.

If you agree, I would cancel the briefing meeting arranged with the Chancellor and the Chief Secretary for 1745, since the main question at issue for Cabinet is housing.

You will be getting the usual full Cabinet Office brief for Cabinet, and I hope the Policy Unit will be providing you with material on the more general arguments about the state of the housing stock, the housing review and so on.

Lord Whitelaw may want a few minutes with you before Cabinet on Thursday morning.

Do you want me to arrange early interventions by sympathetic members of Cabinet in the discussion, e.g. Mr. Tebbit and Mr. Brittan to follow early on after Lord Whitelaw?

Yes not

DNV

DAVID NORGROVE

5 November 1985

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