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PRIME MINISTER

PUBLIC EXPENDITURE

The last bits of the jigsaw have fallen into place today:

- (i) Mr. Channon has now settled, having been given a very small addition to the earlier offer.
- (ii) Mr. Rifkind has accepted a revised consequential package in the light of the deal done yesterday with Mr. Walker.

I have told the Chief Secretary's Office I know you will be very pleased about this successful outcome. Subject to the Chancellor's agreement over the weekend, the Treasury now plan on Monday to alert Departments to the possibility of the Autumn Statement on 1 November so that Departments can make the necessary preparations. (They are not alerting Departments today to try to avoid press stories over the weekend.)

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Becc

PAUL GRAY  
21 October 1988

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