

CONFIDENTIAL

PRIME MINISTER 1

CF po.  
BLC  
2/12

## DISCUSSION WITH TREASURY MINISTERS ON PUBLIC EXPENDITURE

I have arranged a meeting next Tuesday afternoon with the Chancellor and the Chief Secretary to take stock of the position in the public expenditure negotiations. This will take place after your normal bilateral with the Chancellor. It will also be on the day before the E(LG) discussion on the community charge. That will enable you to discuss what, if anything, should be said in E(LG) and in Cabinet next Thursday about the implications for other public expenditure programmes of whatever community charge package emerges.

You will want to consider who, if anybody, should attend Tuesday's meeting apart from the Chancellor and Chief Secretary. The parallel meeting a year ago was also attended by Mr. Parkinson, as prospective Chairman of the Star Chamber, Sir Robin Butler and Richard Wilson (who, if the Star Chamber is required, will be its secretary). The rationale for their attendance was so that they were aware of the broad prospects for the Star Chamber.

So there are two points on attendance:

- (i) should the Lord President attend?
- (ii) should Sir Robin Butler and Richard Wilson attend?

Neither the Chancellor nor the Chief Secretary are pressing for the Lord President to come, but would be content if that is what you preferred.

One other point to bear in mind is that you will be seeing the Lord President at Chequers on Sunday afternoon.

Who would you like to come?

*PLG*  
PAUL GRAY

29 September 1989

*Approved.*  
*PLG*  
*2/12*

| I think we LP and Sir R B  
and R Wilson. Should  
all attend not

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