



Prime Minister ①

*This should be  
Secret*

File

*Agree this timetable, which  
will be tough for given speed  
commitment (6 Nov Debate or  
Address 13 Nov Guildhall)? Delaying  
a week leaves BT with no margin  
for error.*

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

*Treasury will send Jean  
copy on Monday - meanwhile  
they send apologies.*

AT 3/8

PRIME MINISTER

**TIMETABLE TO THE AUTUMN STATEMENT**

*I think we are  
running it  
fine. Not  
can we kind  
a word?*

1. We need to take decisions now about the timetable for the Public Expenditure Survey and the Autumn Statement, in order to ensure that there is no incompatibility between it and the timetable for the BT flotation.

2. The firm advice - with which I agree - of those most closely concerned with the BT sale is that an Autumn Statement between Impact Day (currently planned for Friday, 16 November, with pricing decisions taken on Thursday, 15 November) and the start of dealings (around 6/7 December) could raise awkward legal issues about disclosure in the prospectus, and risk <sup>top</sup> upsetting the markets at a crucial point in the sale; and that the Statement should not coincide with, or be too close to, Impact Day itself.

3. I do not think that we should contemplate the protracted public expenditure discussions which a post 6/7 December Autumn Statement would imply (an extended Public Expenditure Survey, with all the danger of leaks, would be an unfavourable background for the BT sale). So we need to plan for the Autumn Statement before 15 November. Giving ourselves as much time as possible to reach the difficult expenditure decisions which are ahead of us means, I suggest, that we make the Statement on Tuesday 13 November. This will give the market a couple of days to assimilate the Statement. (Norman Tebbit is

*content with this timetable, on the assumption that there is nothing in the  
Statement likely to surprise the markets).*

4. Working back from that, I suggest that we should earmark the 8 November Cabinet for final decisions on public expenditure, and the 18 October Cabinet - after the Party Conference - for the usual autumn economic discussion and consideration of the outcome of the Chief Secretary's bilateral discussions. The interval between Cabinet and publishing the Autumn Statement would be 2 days shorter than usual; but with the co-operation of colleagues in quickly settling the text of what we say about our spending decisions that should be manageable.

X  
*How can  
we get know?*



5. I am sure that we will need this year, as foreshadowed in your summing-up at Cabinet on 5 July, help from a group of Ministers under the Lord President's chairmanship with issues which will not be able to be resolved bilaterally. There may well be more of these than in recent years, and I do not think it realistic to expect Lord Whitelaw's group to be able to settle all the outstanding issues in time for publication of an Autumn Statement on 13 November if it does not begin work until after the 18 October Cabinet. I hope you will agree, therefore, that we should suggest that his group should begin work immediately after the Party Conference, on 15 October. It is not, of course, ideal for the group to begin before the main Cabinet discussion later that week. But we need to give ourselves as much time as possible to reach these decisions by 8 November, and announce them sufficiently in advance of the BT flotation.

6. If you accept this analysis, one or two further consequences flow from it. The Chief Secretary would need to clear with you during Party Conference week his paper reporting the outcome of his bilateral discussions; but, to avoid leaks during that week he should, I suggest, delay circulating to Cabinet colleagues until late on Friday, 12 October; or, if you prefer, until immediately after the weekend. To enable Lord Whitelaw's group to begin work on 15 October, however, it would be necessary to circulate purely to the members of the group, and on a tightly restricted basis, papers on the issues outstanding and on the overall picture by Friday, 12 October, at latest. I imagine, too, that you would wish to announce to Cabinet, on 4 October, that it had proved necessary to set up Lord Whitelaw's group, and that it would start work on 15 October.

7. I would be grateful to know if you agree to this timetable.

A handwritten signature in dark ink, appearing to be 'M.L.' with a period at the end.

N.L.

3 August 1984

SECRET



hi

ee



A1

10 DOWNING STREET

*From the Private Secretary*

6 August 1984

TIMETABLE TO THE AUTUMN STATEMENT

The Prime Minister has seen the Chancellor's minute of 3 August. Although the timetable proposed for the public expenditure exercise and the Autumn Survey will be extremely tight, she accepts that it is the best that can be devised in the circumstances. She has commented that this leaves no scope for any slippage. She has also noted that if the Statement does not win the confidence of the markets, the consequences for the BT flotation could be serious. It will be all the more important, therefore, to secure a satisfactory outcome to the public expenditure exercise.

ANDREW TURNBULL

David Peretz, Esq.,  
HM Treasury.

SECRET



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01-233 3000

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N.L.

3 August 1984