

PERSONAL

PRIME MINISTER

CABINET DISCUSSION OF BUDGET PROSPECTS

You discussed the handling with the Chancellor this afternoon.

You will want to start by inviting the Chancellor to introduce his paper.

Order of subsequent interventions

As agreed this afternoon, I have alerted the Lord President's Office that you would like him to speak first, and Messrs. Waddington and Wakeham's Offices that you will probably want to bring them in towards the end.

You will then want to judge the order in which to call others to speak. You may find it helpful to have the following two lists to hand; the expected strong supporters are on the left.

✓ Howe
③ ✓ Parkinson
③ ✓ MacGregor
✓ Ridley
✓ Brooke
King
Wakeham
① ✓ Waddington
Lamont

✓ Walker ①
✓ Hurd
Mackay
✓ Howard
✓ Patten
✓ Baker ②
✓ Gummer ③
✓ Rifkind ⑥
✓ Clarke ④
✓ Newton
✓ Belstead

✓ Ruffin Sec.
✓ Waddington 4
✓ Agri. Min.
✓ L.P.S.
✓ H. Rep. Sec.
✓ For. Sec.
✓ N.I.
✓ Sec. Sec.
✓ Econ. Sec.
✓ Energy

In summing up, you will want to stress that the absolute priority is bringing down inflation; hence the need to remain prudent and cautious.

Finally, you will need to agree the form of words to be used by Bernard, as follows:

"The Cabinet today held the usual pre-Budget economic discussion. They reaffirmed the economic strategy and the central objective of bringing down inflation, and agreed that economic policy should remain prudent and cautious."

PG

21 February 1990

jd c:pre-budget