

25.16.12

[REDACTED]

[REDACTED]

38/168/1

[REDACTED]

cc [REDACTED]

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Phelps.

Ref

BRIEFING FOR THE EXECUTIVE BOARD DISCUSSION
OF THE UK

There are one or two points about briefing for [REDACTED] which it may be worth clearing up before we receive the IMF Staff Report on the UK.

2. The first is a question of timing. We now expect that the UK will be discussed on Tuesday 4 January. This means in effect that briefing telegrams should be transmitted at the latest by mid-day on Friday 31 December. Monday 3 January is of course a public holiday and we need to allow at least some time for [REDACTED] to look at the briefing telegrams whilst there is still an opportunity for him to come back to us to seek any clarification which he may require. And it would be preferable if the telegrams could be transmitted by around mid-day on Thursday 30 December. Working back from this more generous timetable, allowing time for the telegrams to be typed and taking into account the fact that Friday 24 December is a holiday for the Treasury, this means that briefing from within the Treasury will need to have been gathered in by close on Thursday 23 December. Such a deadline will just about be feasible if, as we might hope, the report on the UK is received on Monday 20 December or Tuesday 21 December.

3. If this timetable seems acceptable and feasible to you, I would propose to shape up the drafting telegrams over Christmas and drop them into the office on Monday 27 December or Tuesday 28 December. If the timetable is not feasible (the report might, say, be delayed till later next week) I would of course be prepared to come into the office in the week after Christmas, though it seems likely that many of the people who would be preparing the briefing would themselves be on holiday in that week.

4. Turning to more substantive questions about the briefing, I understand that statements by our Executive Director are generally prepared by him and not formally cleared with the Treasury. But on this occasion, given the problems of holidays etc, you or [REDACTED] may care to have a word with [REDACTED] about plans for a formal statement in case he intends to send a draft or discuss with people here.

5. On the briefing telegrams themselves, the usual structure is for the first telegram to cover the more general "strategic" points and the rest to cover particular aspects. [REDACTED] will presumably not need extensive briefing on the general structure of Government policy but he will no doubt wish to have a telegram of the first type along the normal lines. I do not think that preparation of this need wait until the report on the UK has been prepared. If you agree I will ask [REDACTED] to put this in hand or you may like to have a word with [REDACTED]

6. The telegrams on particular aspects could either follow the structure of the IMF report or they could follow such subject headings as we choose. Since the Executive Board discussion on these occasions does not follow the order of the Staff Report there would seem to be little advantage in the former. On the latter alternative, the headings could follow the structure of briefing for the December statement, namely:

- (i) Economic situation and forecasts
- (ii) DCE, M3 and PSBR
- (iii) Sterling and the balance of payments
- (iv) Industry and national recovery
- (v) Counter inflation
- (vi) Taxes
- (vii) Unemployment
- (xiii) Public expenditure.

7. In practice it may well be possible to conflate two or three of these headings into a single telegram.

8. Would it perhaps be helpful to have a brief word with [REDACTED] about all this?

[REDACTED]
[REDACTED]
16 December 1976