

PRIME MINISTER

BILATERAL WITH THE CHANCELLOR 19 JANUARY

I think the agenda can be kept short. I understand the Chancellor will want to have a quick stocktaking with you on the position in the markets. At the end of last week there were some voices in the Treasury urging a half per cent rise in interest rates, but these did not carry the day. I am not clear what the Chancellor's present view is.

You are of course having a further meeting on Wednesday on economic policy generally. The promised Treasury paper as background for this discussion is still awaited.

*Paul*

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PAUL GRAY

18 January 1988

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