

SERLOT

BA

27

PRIME MINISTER

BILATERAL WITH THE CHANCELLOR

Following discussion with the Chancellor's office I suggest two items for the agenda:

- (i) The position in the markets. Sterling has strengthened this week and has been at close to DM2.99 all today. The Treasury have no plans to take any action, but you might like to briefly touch base with the Chancellor, *probably gives next week's trade figures (see Day B).*
- (ii) Aspects of the Budget package. I enclose a separate note and papers on this.

PLC6.

Paul Gray

23 February 1988

JA(41)

*Could we check
back a few years on
the January import figures
and their relationship to Nov/Dec
of the previous year - I can't
quite make it out from the
graph - except that this year's
figures are all high on the
import curve - clearly so*