

SECRET



SIR KENNETH COUZENS

cc: Chief Secretary
 Financial Secretary
 Sir Douglas Wass
 Sir Lawrence Airey
 Sir Fred Atkinson
 Sir Athony Rawlinson
 Mr Barratt
 Mr Jordon Moss
 Mr Littler
 Mr Hancock
 Mrs Hedley-Miller
 Mr Middleton
 Mr Widdup
 Mrs Lomax
 PS/Governor

cc 1/8

Copies to the Deputy Gov. &

the Chief Cashier

Mr. Payton Mr. McMahon &

Mr. Willatts / Mr. Dawkins &

Mr. Sangore

THE EXCHANGE RATE

Mr. Dick - Mineaux /

The Chancellor was grateful for your long note of *Mr. Walker &*
31st July.

*11.00 Tuesday (Gov. attends)
7th August*

2. He has asked me to arrange a stock-taking discussion early next week with Treasury Ministers and officials so that he can report to the Prime Minister on her return from Lusaka and before he goes on holiday. He will wish to have your paper on the agenda. He has asked, meanwhile, if others could examine the implications of the suggestions in paragraphs 29 and 31 that we ought to be looking at possible ways of helping industry to cope with the high exchange rate and that it would be worth examining further how far the growing Government revenue from North Sea Oil might be used to help industry through the tax structure. Perhaps Sir Lawrence Airey and Mr Littler would consider how best to respond to the Chancellor's wishes.

gib
A.M.W. BATTISHILL

1st August 1979

SECRET

cc 2/8