

JMS Safe  
24/5

THE GOVERNOR

MEETING WITH THE CHANCELLOR: 5.30 P.M., 24TH MAY

I enclose the usual market reports etc. plus relevant papers relating to the following points: *Also? Bismarck*

LEAVING THE BUILDING

paper with JB 25/5

1. The Budget - your letter of 23rd May and other relevant papers attached. Perhaps question of disposal of assets might arise.
2. Monetary policy - your letter of 4th May and Lankester's letter attached. You might wish to refer to the articles on gilt-edged and monetary base control. *m.p. doss*
3. Exchange rate - your letter of 4th May. You may wish to raise the question of the deposit of reserves against ECUs and perhaps EMS more generally. (CWM's note of 23rd May). I also attach MP's note of 21st May on the oil price/supply situation. *Ex R doss*
4. Exchange Control relaxations - your letter of 11th May and DAD's note of 18th May. *Ex R doss*
5. Stock Exchange - whilst I am not certain that there is anything new to say you may wish to know that WPC has a draft letter for you to send the Chancellor well in hand. *Draft with Jey*
6. South Africa - note by GEH attached. *(with Gov!)* *GEH m 1/3* *20/5/79* *GEH m 23/4* *Gimlett*

with JB

How about 25/5

with JB

Draft with Jey

A copy here with JB

with Gov!

I also attach Tony Battishill's letter to me recording your discussion with the Chancellor last week and the Chancellor's address during the debate on the Queen's Speech.

You wished to be reminded to ask the Chancellor whether he would like Tony Battishill to attend next Tuesday's lunch.

*He will attend*  
*JB*

J.S.Beverly (4121),  
Governors' Office.  
24th May 1979.

*JB*  
*JT*