

16.7.79



cc: Financial Secretary  
Sir Douglas Wass  
Mr. Ridley  
PS/Governor —

Copies to the Deputy Governor  
Mr. Forder  
Mr. McMahon  
Mr. Dow  
The Chief Cashier  
Mr. Goodhart  
~~Mr. George~~ JB  
16  
7.

MR. BRIDGEMAN  
MR. MIDDLETON

PRIME MINISTER'S MONETARY  
SEMINAR: 18TH JULY

The Chancellor has read over the weekend the papers prepared for the Seminar. He has commented how very good he finds them. He thinks that taken together, they make out a much stronger case than has yet been deployed for reducing the PSBR substantially.

2. He was able on Sunday to discuss the papers briefly with the Prime Minister. She remains unhappy at the wisdom of borrowing long at such high rates, and still feels that this policy is too much of a manifestation of our having become used to the ease of repaying in devalued sterling. The Chancellor has some sympathy for this view.

M.A.H.

(M.A. HALL)  
16th July, 1979