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CO  
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*BF 10/5/78*

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Recor Pol, Pt 20  
(Sterling/Dollar)*

SUBJECT

10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. *M 28/78*

CHANCELLOR OF THE EXCHEQUER

At the last meeting of the Seminar there was some discussion of the need to provide an alternative to the dollar as the unit of account in which much of the world's international debts are expressed. That discussion was mainly in terms of SDRs but a European Unit of Account is obviously an alternative possibility. Since then we have tended to talk mainly about Helmut Schmidt's ideas for greater currency stability but I would like to return to the question of the possible promotion of SDRs as the quantum for denominating international debts at the next Seminar. I would therefore be grateful if you could circulate a paper on the problem, and the advantages and disadvantages of the various possibilities. I should like you to involve the Bank in this work. I leave it to you to decide whether you and the Governor should put in a combined paper or two separate ones. Harold Lever may also wish to put his thoughts in this area on paper.

The date of the next Seminar is not yet fixed but I think we should aim to circulate papers on this subject before the last week of May.

I am sending copies of this minute to the Chancellor of the Duchy, the Governor of the Bank of England, Sir John Hunt and Sir Kenneth Berrill.

*LJR*

9 May 1978

CONFIDENTIAL

*JH*