

of Market Set

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Example

NOTE OF A MEETING BETWEEN THE PRIME MINISTER AND THE CHANCELLOR OF
THE EXCHEQUER AT 1730 HOURS ON WEDNESDAY 14 JANUARY 1981

The Chancellor referred to the latest very high CGBR figure which - he said - made the monetary prospects for January bleak. The Treasury and the Bank were doing everything they could to sell gilts between now and 21 January - the end of the banking month. He had also decided to strengthen the staffing in the Treasury, the Inland Revenue and Customs and Excise dealing with the accounts so that he would have quicker and better information on the CGBR: for example, in future there would be a weekly CGBR cash flow statement.

The Prime Minister said that she too was most concerned about the immediate monetary prospect. She suggested that the Bank should conduct a gilts auction before 21 January (the Treasury have now said it would be impossible to mount one before then); and also that we should try to arrange a further EEC refund before that date (the Treasury have since said this is impossible as well).

R.

16 January 1981

of Prof Walters.

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