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PRIME MINISTER

MEETING WITH THE CHANCELLOR

i) JMB

The Chancellor will report on his discussions with the business managers and on the terms in which he proposes to make his announcement. I suspect he may also complain about being let down again by the Bank who appear to have approached the police before talking to him.

ii) Oil

The Chancellor will want to discuss Mr. Walker's minute about cuts in oil production, royalty banking and a switch from royalty in kind to royalty in cash. He is naturally worried about the consequences for the PSBR of any action in this area.

AG

Andrew Turnbull

16 July 1985