



10 DOWNING STREET

PRIME MINISTER

We had to cancel today's
meeting with Alan Walters;
you will now be seeing
him tomorrow after Quebec.

REC 6

13/3

PRIME MINISTER

BILATERAL WITH ALAN WALTERS: 15 MARCH

We have allowed an hour tomorrow afternoon for you to talk to Alan.

The Budget package is fairly closely in line with the approach Alan suggested when you last talked to him in January. So I imagine he will have no great worries on that score.

He will also be content with the firm words about the stance of monetary policy in the Budget Speech. But you might like to discuss with him his views on the present level of interest rates. Is it right to plan to stick at 13% over the coming months?

RACG.

mt

PAUL GRAY

14 March 1989

PM2ANF