

PRIME MINISTER

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BILATERAL WITH THE CHANCELLOR: 19 JULY

Following discussion with the Chancellor's office, I think there are only two items for tomorrow's bilateral.

1. Markets

Things have been very satisfactory this week, and there are no particular points you need to discuss. But you may want to have a word about likely reaction to next week's trade figures.

2. County NatWest

You saw the papers over the weekend (enclosed). Arrangements are still in hand for publication of the report on Thursday. As regards any regulatory action, the Board of Banking Supervision has been meeting today, and the Governor will be coming to see the Chancellor tomorrow afternoon shortly before your bilateral. So the Chancellor will be able to report on the latest developments.

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*PG*  
PAUL GRAY

18 July 1989

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