

PRIME MINISTER

BILATERAL WITH THE CHANCELLOR: 20 DECEMBER

I have agreed the following agenda with the Chancellor's office:

(i) Markets

The markets have been relatively quiet this week, but you will want to take stock with the Chancellor before the Christmas break. The major event during the few days between Christmas and the New Year will be the publication of the monthly trade figures on Friday 29 December. You have already seen the export figures: we will know about the imports tomorrow, although whether this news will have come through by the time you see the Chancellor at 1700 is not clear.

(ii) IMF Quotas

You agreed with the Chancellor last week that we should consider the possibility of doing a deal with the French on joint fourth positions. The Chancellor is speaking to Bergevoy at 1800 this evening, and may have some news to report at tomorrow's meeting.

(iii) EcoFin

The Chancellor may want to refer to the outcome of Monday's EcoFin Council, which seems to have gone satisfactorily. His reporting minute is at Flag A.

(iv) Community Charge

You had a word last week with the Chancellor about the backbench pressure for further concessions on the Community Charge. You saw last night the enclosed notes from Chris Patten and Kenneth Baker (Flag B), and you may like to have another word with the Chancellor about this tomorrow.

Paul G.
PAUL GRAY

19 November 1989

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