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From the Private Secretary

29 May 1979

EXCHANGE CONTROLS

The Prime Minister has considered the Chancellor's minute of 23 May on the above subject. She has also seen Mr. Nott's letter of 25 May, which broadly welcomes the Chancellor's proposals but argues that they should go rather wider.

The Prime Minister understands the reasoning behind Mr. Nott's suggestion that the exchange control relaxation should be more ambitious than the Chancellor proposes; but she considers that the precise degree of relaxation which can be immediately contemplated must be a matter for the judgement of the Chancellor and the Governor, and she therefore agrees that the Chancellor should proceed on the lines set out in his minute.

I am sending copies of this letter to Paul Lever (Foreign and Commonwealth Office), Andrew Duguid (Department of Industry), Tom Harris (Department of Trade), John Beverly (Bank of England), and Martin Vile (Cabinet Office).

T. P. LANKESTER

Martin Hall, Esq.,
HM Treasury.

of Mr Hoskyn

*GB
(HMT Spm)*