

MR. LANKESTER

Your first priority will be money supply.

Banking figures to be announced tomorrow are pretty horrible. The Prime Minister is angry about this, which confirms in her view what the Swiss bankers told her when she was on holiday - that her strategy is right but that her instruments are wrong, and particularly that the Bank of England is not interested in running her policy.

We had a stormy meeting last Wednesday. There is to be another episode at 3.30 this afternoon. You should see recent papers on this file to get the flavour.

(M.A.P.)

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