

SECRET



Prime Minister 5

cc Mr Hodgkins
Mr Wolfson

Strategy
file

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

Preliminary
options

new -
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(v) (vi)
NOT

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pub. be lost
November 1980

You will want to discuss
this important paper on
policy options prepared by
Douglas Warr with the

Chancellor next
week. He will file
a time - and if
you agree - tell the
Chancellor he is
welcome to bring
Douglas Warr with him.

Agreed
not

SECRET AND PERSONAL

T.P. Lankester, Esq.,
No. 10, Downing Street,
LONDON. S.W.1.

Dear Tim,

POLICY OPTIONS

The Prime Minister asked Sir Douglas Warr on 20
October to explore ways of mitigating the adverse
conditions under which British industry is operating.

I now attach a copy of a note Sir Douglas Warr has
submitted to the Chancellor in accordance with this
remit. The Chancellor will be considering this
further over the week-end before discussing it with
a small group here; he has not yet reached any view
about the options discussed. Meanwhile he has
asked that the note should be sent at once to the
Prime Minister.

The Chancellor and Sir Douglas Warr have not discussed
the options with the Governor; nor has he seen the
paper. The Chancellor would like an early opportunity
to discuss it privately with the Prime Minister well in
advance of her meeting now fixed for 18 November. It
will be important to ensure that that meeting is able to
concentrate on the "operational" monetary policy issues
requiring immediate decision.

This is the
important meeting
on monetary
policy.

yours

John

A.J. WIGGINS