



2 MARSHAM STREET
LONDON SW1P 3EB

CONFIDENTIAL

CH/EXCHEQUER	
RPC.	26 JUN 1979
ACTS	Mr BRIDGEMAN
COMES TO	CST FST NSTO NSTO
	SIR D WASS SIR L ABBEY MR LITTLE MRS GILMORE MR RIDLEY

My ref:
Your ref:
26 June 1979

Dear Tim

My Secretary of State has seen a copy of your letter of 25 June to Tony Battishill about mortgage rates. He has asked me to say that the Prime Minister can be assured that on her return from Tokyo she will be presented with options necessary to provide a subsidy to the building societies designed to persuade them not to increase their interest rates.

My Secretary of State hopes that the Prime Minister will, however, arrange an early meeting of Ministers to discuss this, as there are important considerations in connection with overall policy, and especially public expenditure, which he believes need to be taken into account before such a decision is taken.

I am sending a copy of this to Tony Battishill, Treasury and to Martin Vile, Cabinet Office.

Yours sincerely

D A Edmonds

D A EDMONDS
Private Secretary

Tim Lankester Esq
10 Downing Street

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