



cc: Chief Secretary
Financial Secretary
Minister of State (C)
Minister of State (L)
Sir Douglas Wass
Sir Lawrence Airey
Mr. Littler
Mrs. Gilmore

MR. BRIDGEMAN /

BUILDING SOCIETIES

The Chancellor despatched the minute you drafted for him to the Prime Minister last night.

2. He has since told us that he has spoken to Mr. Heseltine who proposes to minute in support of the Treasury position as soon as he receives a copy of the Chancellor's own minute. He is apparently likely to say some of the same things as the Chancellor. Even so, the Secretary of State feels that his chances of talking the Building Societies' Association into maintaining the status quo would be hugely helped if MLR could start coming down by a $\frac{1}{2}$ per cent.

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(A.M.W. BATTISHILL)

26th June, 1979