



CHANCELLOR OF THE EXCHEQUER

cc Chief Secretary
Sir D Wass
Mr Bridgeman
Mr MiddletonMONETARY SITUATION

Following the decisions taken at today's meeting with the Prime Minister, I consider it essential that we do everything possible to ensure a major (and sustained) funding success in the wake of next week's announcement. Clearly, this is not the time to think of new methods of funding. But it may be necessary for the Bank to adopt slightly unorthodox market tactics - in particular, to launch a major new long tap at an unusually attractive price and on outstandingly attractive payment terms.

SAJ Lodge

NIGEL LAWSON

9 November 1979

(Dictated by the Financial Secretary, and signed in his absence)