



CHANCELLOR

cc Chief Secretary
Sir D Wass
Sir K Couzens
Mr Burns
Mr Ryrie
Mr Barratt
~~Mr Middleton~~
Mr Bridgeman
Mr Britton
Mr Lavelle
Mrs Lomax
Mr Riley

SHORT TERM INTEREST RATES

I entirely agree with Mr Middleton's submission of 1 July - 1% is quite enough at the present time. Not least do I agree with the suggestion in his final paragraph that there are dangers in leaving the initiative entirely with the Governor.

NIGEL LAWSON

2 July 1980

132/7
25/81