



Prime Minister ⁽²⁾

MUS 22/7

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

21 July 1983

M Scholar Esq
10 Downing Street
LONDON SW1

*Richard - Please tell
the Chancellor: other than
the point hard is not
INFORMED about
increases in
interest rates
but
ASKED*

Dear Richard,

NATIONAL SAVINGS

The Chancellor has asked me to inform you of some minor changes to National Savings to be announced tomorrow.

The Chancellor believes that we need to increase the return on the main funding National Savings instruments, in order to avoid the risk of a major outflow and to keep broadly on course to achieve the target of a £3 billion funding contribution from personal savings this financial year.

Four changes are being announced; an increase of 0.5 per cent gross for the Investment Account; and for the Income Bond; together with 0.75 per cent net for a new 26th National Savings Certificate; and the repetition this autumn of the 2.4 per cent supplement on indexed National Savings securities.

These decisions were taken following discussions chaired by the Economic Secretary and involving Alan Walters.

*Yours ever,
J O Kerr*

J O KERR
Principal Private Secretary

*News to go to
put that in writing
for the future
ms*