

CONFIDENTIAL



FTO
PO
AFF
ENG
DACS
ID
BTP
TRADE
CU
CO

10 DOWNING STREET

From the Private Secretary

26 July 1979

*B/K 10-8-79
to check w/ TL for
further action.*

Dear Tony,

The New Tax and Price Index

The Prime Minister discussed the Chancellor's proposals for the new tax and price index, as set out in his minute of 25 July, when they met this morning. The Prime Minister agreed that, on balance, it would probably be worth introducing the new index, and asked that the further work which is needed to finalise it should proceed. They agreed that a final decision on the new index should be taken when this further work has been completed after the Prime Minister returns from Lusaka.

I am sending copies of this letter to the Private Secretaries to members of E Committee, to Don Brereton (Department of Health and Social Security) and Martin Vile (Cabinet Office).

See cov.

Ti letter.

KRBY

Tony Battishill, Esq
HM Treasury.

CONFIDENTIAL