

SECRET



File

Housing 2

see Master

2

10 DOWNING STREET

From the Private Secretary

20 June 1980

Dear Tom,

Composite Rate : Building Societies

At their meeting this afternoon, the Prime Minister and the Chancellor discussed his minute of 19 June on the above subject.

This is to confirm that the Prime Minister agreed that a new clause should be introduced to the Finance Bill to provide that the results of any periodic survey should not apply retrospectively. She believed that this would not be without criticism, but the alternative of letting the mortgage rate increase was unacceptable.

The Prime Minister did however suggest that it would be better to avoid any reference to "periodic surveys" in the draft clause. The Chancellor said that he would ask the draftsman to avoid any such reference if at all possible.

I am sending a copy of this letter to David Edmonds (Department of the Environment).

Tom

Tim Latham.

John Wiggins, Esq.,
HM Treasury.

SECRET

GB