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PRIME MINISTER

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I realise that it is very tempting in current circumstances to predict good news on interest rates and the exchange rate. But any predictions by senior Ministers are taken by the markets as a guide to our policy intentions in the near future. This can have seriously disruptive effects on the financial markets. Much the best course is to say nothing about these things. But if colleagues feel that they must make statements could they please consult me first.

I am copying this to members of the Cabinet, the Minister of Transport and Sir Robert Armstrong.

G.H.

(G.H.)

7 October 1980

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