



RM
CC HRET
DTI
David Willetts
(#0)

10 DOWNING STREET

THE PRIME MINISTER

18 May 1984

Dear Robin,

Thank you for your letter of 10 May on regulation of securities markets. You will also have seen Norman Tebbit's minute to me of 11 May.

I understand that you had a meeting with Nigel Lawson and Alex Fletcher on Wednesday, when it was agreed that it would be right for you to proceed with setting up the advisory group you propose so long as it was clear that the group is being set up to give you advice, so that its recommendations would in no way restrict the Government's options in looking at a wider range of possible regulatory arrangements. It would also be made clear that its remit will be confined, as you suggest, to looking at whether a self-regulatory system could be made to work, and if so how.

I also understand that you are now hoping that the group would be able to give interim advice by mid-July.

Like Nigel and Norman, I am content for you to ahead on this basis, and to announce the initiative on 23 May, as you suggest.

Copies of this letter go to recipients of yours.

R. Leigh-Pemberton, Esq.

Lawson
Langford

RM

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

17 May 1984

Andrew Turnbull Esq
10 Downing Street
LONDON SW1

PERSONAL

Dear Andrew

SECURITIES REGULATION DATED 17 MAY

.. As we agreed last night, I am attaching a draft of a reply the Prime Minister might send to the Governor's letter of 10 May. The Chancellor has seen this and is content.

*Yours ever,
David*

D L C PERETZ
Principal Private Secretary

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DRAFT LETTER FROM THE PRIME MINISTER

TO: THE GOVERNOR
BANK OF ENGLAND

SECURITIES REGULATION

Thank you for your letter of 10 May. You will also have seen Norman Tebbit's minute to me of 11 May.

I understand that you had a meeting with the Chancellor and Alex Fletcher ^{on Wednesday when it was agreed} yesterday, and that Nigel ~~too~~ agrees that it would be right for you to proceed with setting up the advisory group you propose, so long as it ^{is} clear ~~that:-~~

(a) the group is being set up to give you advice, so that its recommendations would in no way restrict the Government's options in looking at a wider range of possible regulatory arrangements, and ~~that~~ ^{It would also be made clear that}

(b) its remit will be confined, as you suggest, to looking at whether a self-regulatory system could be made to work, and if so how.

I also understand that you are now hoping that the group would be able to give interim advice by mid-July.

Like Nigel and Norman, I am content for you to go ahead on this basis, and to announce the initiative on 23 May, as you suggest.

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