

**CONFIDENTIAL**

NBP 7

cBG

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

J F Mogg Esq  
Principal Private Secretary to the  
Secretary of State for Trade & Industry

14 January 1986

*Dear John,*

**LLOYDS AND THE FINANCIAL SERVICES BILL**

David Norgrove's letter of 8 January records the decision to go ahead with an inquiry along the lines proposed by your Secretary of State. It also records the Prime Minister's proposal that the inquiry should report by Whitsun.

The Chancellor suspects that this may be too late for amendments to be introduced to the Financial Services Bill in the Commons, following the inquiry, if that proved necessary. If so, he would see a strong case for asking for the report to be completed earlier, perhaps by Easter. The Chancellor recognises that this will be a very tight timetable indeed. But he thinks it would be well worth trying to see if it could be achieved. If it is not possible to release the report by Easter, and if the inquiry shows that legislation is needed, then the necessary amendments would have to be introduced in the Lords, which would be the only realistic alternative, albeit very much second best.

I am copying this letter to David Norgrove (No.10), Joan MacNaughton (Lord President's Office), David Morris (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), Michael Stark (Cabinet Office) and to John Bartlett (Governor of the Bank of England's Office.)

*Yours ever  
Rachel*

**MRS R LOMAX  
Principal Private Secretary**

**CONFIDENTIAL**





Koon POC  
Gouker  
PTZ