

54/11

(copy filed in Conversations dossier)

SECRET

24. 7.84

NOTE FOR RECORD

Copies to The Deputy Governor
Mr Loehnis
Mr Walker
Mr George
Mr Galpin
Mr Cooke
Mr Flemming

CONVERSATION WITH SIR PETER MIDDLETON: 16 JULY

Extract
Filed in
DGC

1 It was not now likely that the new Chairman of the Inland Revenue would be an outsider, but it was still being considered how useful outside advice could be brought into the Inland Revenue's debates. Perhaps this might best be done by the appointment of a special adviser but much would depend on the appointee. If we had any useful ideas he would be pleased to receive them.

Extract
Filed in
Budget
File

2 He said that the Budget leak enquiry was now probably over and we could take it that the Bank would not be involved. In such circumstances it would be in order for us to disband our files.

3 He had no definite news on the date of the 1985 Budget but we would shortly be receiving a note on this subject.

4 The new shape of the gilts market

I said that nothing concrete was likely to be available until the autumn and Sir Peter seemed content with this reply, although I assured him that we took the point that not only he but many other people were anxious to get themselves involved in this matter.

Extract
Filed with
PPS.

5 I said that the Chancellor and I ought to establish a convention that our respective speeches at the Mansion House and at the Overseas Bankers Banquet should be shorter and that I proposed to say this to the Chancellor. He agreed that this would not only be a popular but also a sound move.

6 On the general subject of the monetary situation he said that the Treasury would be pushing National Savings now that we have a new rate structure, that there was careful consideration being given to the merits of the UK joining the Exchange Rate Mechanism of the EMS and that further thought would need to be given to the operating of the interbank rate and the effect that this can have on the financial markets.

All of these matters have evolved since then in one way or another and will obviously be continuing topics for us.

R. L. P.

MEETING WITH SIR PETER MIDDLETON 16.7.84

- i) inter bank rate from
- ii) E.M.S.
- iii) N.S. pushed.

1 Monetary situation etc

By Fred. ? Someone from Bank to go with Geoff to Tokyo -
Wed. please
Special adviser at IR - not new Chairman (of Jeffrey)

2 Budget leak enquiry

Is this still in progress? We have had no approaches from the *Finley* or investigators and have kept all our papers intact. If the *DTI* (advice on application) enquiry is over, it would be helpful to know so that we can disband our files.

3 1985 Budget

✓ Note to come

Any news on the date?

4 New shape of the Gilts Market

Sir Peter is aware that Mr George has been having extensive discussions with the market and may want a word about these.

Nothing connects with antism

5 International debt

In particular Sir Peter may ask about the 'marketability' paper that we are producing.

6 Communications

Sir Peter may raise the point that it might make sense for the Treasury to talk to the commercial banks direct about debt problems, in the same way as they do about domestic matters.

3

7. Mansion Hse / OB. - shorter.

probably over + bank not involved