

CONFIDENTIAL  
& URGENT

1) McCabe \*

2) Govs office

Copies to:

The Governor

The Deputy  
Governor

M Blunden

M Lochris

M Walter

M Geogel

M Hand

OPS

\* I would be grateful  
if you would please  
advise me of a draft  
response to the provided

2/1/17





10 DOWNING STREET

From the Private Secretary

20 January 1983

TOP with pps on  
Endowment profits.  
believe

Rec Fri 21/1  
© 3.45pm.

Dear Tim,

Interest Rates

During her discussion with the Governor on Thursday 13 January, the Prime Minister referred to a British Banking Association estimate of which she had heard, that the "endowment" profits of our banks arose when domestic interest rates were in excess of 6.9% in 1975, 8.2% in 1981 and some higher figure at the present time.

The Prime Minister has several times reverted to this estimate since the meeting, and I wonder if you could let me have a short note on the matter for the Prime Minister.

I am sending a copy of this letter to John Kerr (HM Treasury).

Yours sincerely,

Michael Scholer

Tim Allen, Esq.,  
Bank of England.

ans'd 31.1.83  
(aps 29 31/1)



2.2.83

C.L.C.B

Meeting between ~~Mr.~~ P.M. & ~~others~~  
Discussion on endowment profits.

(BLE paper produced for-)



CONFIDENTIAL  
& URGENT

1) McCabe \*

2) Govs office  
slip S.

Copies to:

The Governor

The Deputy  
Governor

M Blunden

M Lochris

M Walter

M George

M Hand

OPS

\* I would be grateful  
if you would please  
advise me in a draft  
response to the provided

21/1

WPC 21/17



copy Fed 341/  
**CONFIDENTIAL**



10 DOWNING STREET

From the Private Secretary

20 January 1983

Rec Fin 21/1  
© 3.45pm.

Dear Tim,

ansid 31.1.83

Interest Rates

During her discussion with the Governor on Thursday 13 January, the Prime Minister referred to a British Banking Association estimate of which she had heard, that the "endowment" profits of our banks arose when domestic interest rates were in excess of 6.9% in 1975, 8.2% in 1981 and some higher figure at the present time.

The Prime Minister has several times reverted to this estimate since the meeting, and I wonder if you could let me have a short note on the matter for the Prime Minister.

I am sending a copy of this letter to John Kerr (HM Treasury).

Yours sincerely,

Michael Scholar

Tim Allen, Esq.,  
Bank of England.

**CONFIDENTIAL**