

POSSIBLE POINTS FOR MEETING WITH SIR PETER MIDDLETON

Meeting took place
15.6.84

- 1 International debt - especially Argentina ^{-ADL m 13.6.84} } (can perhaps be combined.
- 2 Basket provisions - the way forward
- 3 Visit of back-bench MPs - IFD (DAW m. 13.6.84)
- 4 Remuneration of non-executive directors - where now? ^{-PPS in DGC + safe} } don't conflict it
- 5 Bank pay (at Middleton's request) - PPS in safe.
- 6 Quarterly Bulletin Assessment (only if Middleton raises it)

Pass

7. 6.84

NOTE FOR RECORD

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

He called

The Governor is to call on Sir Peter Middleton at 4.30 pm on
Friday 15 June.

Governor's Office HO-P
7 June 1984

C J Darkens (4122)

[Handwritten initials]

NOTE FOR RECORD

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

MEETING WITH SIR PETER MIDDLETON: 15 JUNE

1 International debt

Extract on T/S
PM said that the Chancellor was concerning himself with this again and suggested that we should look at the practicalities of some form of secondary market in sovereign debt. I said that we had originally been very cautious about this, but that my view had been somewhat altered by the attitude of Strasser of Swiss Bank Corporation, who had told me that he thought he could easily find investors who would be interested in this sort of thing. This topic led onto the matter of basket provisions where PM told me that ideas would be falling on favourable ground at the Treasury.

Extracted
2 I mentioned the visit of backbench MPs to Mr Walker and he said he thought that this was a thoroughly good idea.

3 Remuneration of non-Executive Directors

Extract
MPs
safe
He told me that he thought it possible that the way the matter had been presented to the Prime Minister had concentrated too much on the one particular director rather than on the general principle. He agreed that this could well be re-opened at what seems a favourable time in the future, but that in the meantime no action should be taken.

4 Bank pay

Extract
MPS
Safe

PM seemed genuinely relaxed about our settlement. I was ready for a degree of disapproval but he took the point about the imminence of arbitration should a quick agreement not have been reached, and he went on to say that the Chancellor and he were satisfied with the figure at the same level as the Clearing banks, although it would have been a different case had our figure been above. I went on to say that I thought it important that the insurance company settlement should be better organised, if that were possible, because these tended to set a certain pace in subsequent bank settlements. He agreed, and I think we ought to try to look at this much earlier in 1984 than we did in 1983.

Extract
ed

5 PM said that he was pleased with the way our present procedure was working in respect of the Quarterly Bulletin Assessment.

Extract
on
T/S

6 I told him very briefly of how my conversation with Martin Jacomb had gone and that the likely outcome of the Group's deliberations would be for SRAs with a small supervisory body between them and DTI, upon which there ought to be one or two consumer representatives. I told him that the Group was working harmoniously and efficiently, with a view to reporting to me before the end of July.

7 He then told me that the Treasury were now embarking on the public expenditure round for 1985/6 and that this would be a difficult and exacting exercise. He confirmed that, as far as they could tell, the PSBR profile for the current year was likely to be much as forecast, remarkable though this outcome might seem.

Extract
DGC

8 As a result of conversations between the Chancellor and the Japanese Finance Minister, it was proposed to send Littler to Tokyo before too long to explore the possibilities for British firms of liberalisation of Japanese financial market policies.

Extract
MPS
Safe
+
DGC

9 Finally, he took me into his confidence about certain future appointments in the Treasury centering round the return of Robin Butler to that Department from No.10. It seemed likely that Ryrie would obtain a post at the World Bank and Littler might then take Ryrie's position at Overseas Development. Additionally, there

was the matter of someone to succeed Lawrence Airey at the Inland Revenue and PM was seriously contemplating appointing someone from outside the Civil Service if an ideal name could be found. He thought it might be a good thing for the Revenue to be 'opened up' and invited me to submit any names if I had any sudden inspiration!

Dictated by the Governor
and circulated in his absence

PS It seemed from PM's attitude that the anxiety about Treasury reaction to our pay settlement had been misplaced. He seemed totally relaxed on this point and the only note of concern was what, if any, publicity the settlement would receive. I said that as far as we were concerned, and, I trusted, the other side, there would be no publicity at all.