

NOTE FOR RECORD

Copies to The Deputy Governor
Mr Loehnis
Mr George
Mr Walker
Mr Galpin
Mr Cooke
Mr Flemming
Mr Somerset (paragraph 4 only)

MEETING WITH SIR PETER MIDDLETON: 9 NOVEMBER 1984

Extract with PPS on T/S

1 Sir Peter Middleton thought it would be a good idea to arrange an informal conversation with Dr Owen should he be prepared to accept. He also approved the additional paragraph in the Owen letter so that I could despatch it immediately after our meeting.

2 He spoke of the difficulties that they had had in preparing the Autumn Statement and assured me that they would send us the economic part of this later today. He hoped that the remainder of it plus briefing would be with us by early Monday morning. The fiscal adjustment for the coming year was likely to be £1.5 bn, but it began to look as though taxation reductions were becoming slimmer in prospect.

Extract with PPS on T/S

3 I brought him up to date with some of our thinking on the SIA and found him much in line with us, particularly on the point about who should appoint the Chairman. He felt that it would be unnecessary to go to the stake on our original position (and this incidentally coincides with the general impression which I was given by the Clearing bank Chairmen this morning).

Extract with PPS on T/S

4 I told him of the CLCB reaction to the £1 note/coin decision this morning and said that we would be doing our best to iron out the difficulty which arose. As a result the Banking Information Service statement was likely to be less warm than had been originally hoped, although I said that I was left with the impression that it would be neutral if not positive.

5 We did not speak of pay, or the Bank's rules about dealings in stocks and shares.

Dictated by the Governor and circulated in his absence