

CONFIDENTIAL

22 March 1984

File

MR TURNBULL

FUNDING MEETING

I attended the Funding Meeting on Tuesday, 20 March.

The Bank of England are preparing the ground again for another attack on the policy of not selling long gilts. Whilst they are still chastened by their experience with the unfortunate 1998 stock, they wish to keep open the possibility of selling longs at some stage across the summer.

I note also that the Governor of the Bank of England has been making remarks about the adverse impact of the Budget on the banks. Would it not be a good idea for the Governor to come in and have a short meeting with the Prime Minister to discuss:

- (a) the position of the banks;
- (b) markets and the privatisation programme;
- (c) Stock Exchange reforms;
- (d) funding policy?



JOHN REDWOOD