



QUEEN ANNE'S GATE LONDON SW1H 9AT

28 March 1990

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Thank you for copying to me your letter of 8 March to Nicholas Ridley and the enclosed draft White Paper setting out the Government's response to the Jack Committee report. I note that you are planning to publish the White Paper before the Easter recess, and I am content for you to do so.

I was interested to learn of the bankers' decision to set up the Blunden Committee to draw up a code of practice on customer relations. I have a double interest in this area - in ensuring on the one hand that banking secrecy does not stand in the way of effective action to combat money laundering, while on the other, preserving the Government's general policy in regard to privacy and confidentiality. On the former, I am satisfied that the banking sector is alert to the dangers posed by money laundering, and is keen to co-operate actively with Government and the enforcement agencies in meeting the threat. So far as issues of confidentiality are concerned, I hope that the Blunden Committee will be encouraged to consult fully with the Data Protection Registrar. The Registrar is responsible for enforcing compliance with the Data Protection Principles, which have a direct bearing on the issue of disclosure.

I am copying this to members of E(A) and H Committee, Sir Robin Butler, and to the Governor.

John G. [Signature]

Richard Ryder, Esq, OBE, MP
Economic Secretary
Treasury Chambers
Parliament Street
LONDON, SW1P

ECON POL: Domestic Monetary Policy, P. 21.