

RECORD OF MEETING WITH MR DAVID FIFIELD ON 3 OCTOBER 1991

Present:

David Fifield
Sir Adrian Cadbury
Nigel Peace

Mr Fifield said that he had trained as a scientist and had worked in industry for 30 years, including spells in Belgium and FRG. He had come to the conclusion that something was wrong with the British system and had tried to analyse it in terms of the stakeholder concept. There were three main stakeholders - owners, employees, and customers. In the UK the relationship was skewed and there was too much short-termism. On the continent there was much more long-term thinking. There was more private ownership, with shareholdings held long-term and passed down within families; more bank involvement; more investment in good plant; more investment in training; and far fewer accountants. He had published a book on the subject (copy passed to Sir Adrian).

2 Asked what his solutions were, Mr Fifield said that mechanisms were needed to tie owners and their capital into businesses long-term, and to commit banks to their long-term future. A tax on trading shares might be one option.

3 Sir Adrian said that Mr Fifield's ideas went wider than the Committee's brief but that he would be pleased to look through the book to see if it had useful pointers for the Committee.

N D P

11.10.91