

8.11.79

NOTE FOR RECORD

has seen

Copies to: The Governor
 The Deputy Governor
 Mr. Fforde
 Mr. McMahon
 Mr. Dow
 The Chief Cashier
 Mr. Goodhart

he sent

collected in m/s p 4,

Martin Hall (Chancellor's Office) telephoned me this morning to report the outcome of the Chancellor's call on the Prime Minister this morning. The Prime Minister was "very unhappy" and had decided to hold a short buffet lunch tomorrow (1.00 p.m.) followed by a working session at which matters could be discussed in depth (?and at length). Present, in addition to the Prime Minister and the Chancellor would be the Governor plus two or three, Biffen, Lawson, Wass, Bridgeman and Middleton.

Martin Hall said that it was an intention that all ideas should be considered, particularly those offering some means of controlling bank lending. He also referred to credit and HP controls, means of penalising the banks and (?) liquidity limits; all options were to be considered as being open. I was also told that it might be considered desirable for some of the ideas to be submitted on paper before the lunch.

Jim Harkess phoned later to emphasise the value/necessity of considering carefully all the options - to be able to demonstrate to the P.M. tomorrow that this had been done. [The Govt and Chief Cashier and Carey away]

J.B.
 J.S. Beverly (4121),
 Governors' Office.
 8th November 1979.

J.B. 11