

NOTE FOR RECORD

The Governor - GR 14/1.

Copied to Mr. Forder

Mr. Nicholson.

Mr. Dow.

The Chief Cashier

Lord Graham.

Mr. Walker.

Conversation with Sir Douglas Wass and the Chancellor1. Special Deposits

JSF set out for Wass the background to our wish to announce, preferably before the weekend, a temporary release of the remaining 2% of Special Deposits, to be recalled as to 1% on the 8th February and 1% on the 7th March. Emphasis was laid on the technical nature of the move. Wass was fairly easily persuaded and it was agreed that the matter should be mentioned to the Chancellor when he arrived at the Bank. Wass thought the Chancellor would wish to consult the Prime Minister and the arguments against such a reference were deployed.

When the Chancellor arrived, the Governor explained the position to him and secured his agreement without more ado.

2. Staff Moves

Wass explained the movements amongst the Treasury personnel that were to be announced during the afternoon. Asked about Bridgeman, he conceded that he was likely to be rather disappointed. One more move to be made will be the finding of a replacement for Middleton in his present job.

3. Treasury Seminar

Wass said that the five Treasury Ministers and six Permanent Secretaries were having a day together at Sunningdale on Sunday. The principal subjects would be the Budget, the industry scene and open Government. This was the first time they had had

such a meeting which was based on a German example - but with the substantial difference that the participants in the German seminar ranged from the top down to the messengers.

4. NEDC

The Chancellor remarked on how good a meeting they had had on the last occasion at NEDC when the Prime Minister was in the chair. He spoke of it as the makings of a real industrial parliament - but added that it was 25 years too late.

After the Chancellor had gone, Wass spoke about the Chairmanship of the CFI, on which Chandler would no doubt be talking when he met the Governor. Chandler hoped that Lord Croham might succeed Lord Roll as Chairman. Murray, however, had expressed the hope that Roll would continue. Wass felt it was time for Roll to leave the main Council; and, if he did so, he might well wish to drop the Chairmanship of the CFI. In his view, Croham would be an admirable choice. However, if the TUC felt very strongly, they might be moved to leave Roll in place. Wass went on to touch briefly on the possibilities of the Governor becoming a member of NEDC. It was agreed that this should be discussed at some convenient opportunity with the Chancellor who, Wass said, was certainly in favour of the idea, but would not wish to press it if the Governor saw any disadvantage in it.

See

11th January 1980.

SA1

CONFIDENTIAL

10. 1.80

THE GOVERNOR *has seen*

JTB 11/1

he lunched

SIR DOUGLAS WASS: LUNCH 11TH JANUARY

1. You may care to consider some or all of the points listed in the note covering the discussion you may have with the Chancellor tomorrow.
2. In addition you asked me to remind you of CWM and WP3.
3. PAST is considering a draft letter on Honours and will wish to see you next week.

in for J.S.Beverly (4121),
Governors' Office.

10th January 1980.