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● Please copy to Dr
CVS
OPS

should like to discuss
with you and EASA. X1

THE GOVERNOR

Copies to Mr Blunden
Mr Loehnis
Mr Walker
Mr George

OR 2/7

The following points emerged from my conversation with Wass this morning:

1 Michael Quinlan

On my expressing disappointment that I had first learnt of Ryrie's move from the newspapers, Wass apologised and then produced the information that Michael Quinlan is to succeed Barnes at Employment at the end of the year. This will be announced very shortly. As Wass said it left a big hole on the industrial side of the Treasury at the worst possible time. I urged him to find a strong replacement.

2 Ryrie consequentials

Wass said it was very unlikely that Couzens would extend his responsibilities to the home side. Middleton and Quinlan's successor would report directly to Wass. I deliberately did not ask what was proposed for the chairmanship of the monthly Ryrie meeting.

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3 Exchange rate

Wass wondered whether the Governor's reference to the exchange rate in the Cardiff speech implied any strengthening in our position on it. I said No: the reference was meant simply to guard a flank in a speech addressed to improving competitiveness through lower pay.

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We then discussed the exchange rate and agreed that if there were any significant recovery the balance of payments could easily emerge as a constraint. I touched on developments in the capital account and asked Wass what his reaction was to ADL's vulnerability paper. It emerged (rather scandalously) that he had not been shown it.

4 RPA and Cockfield

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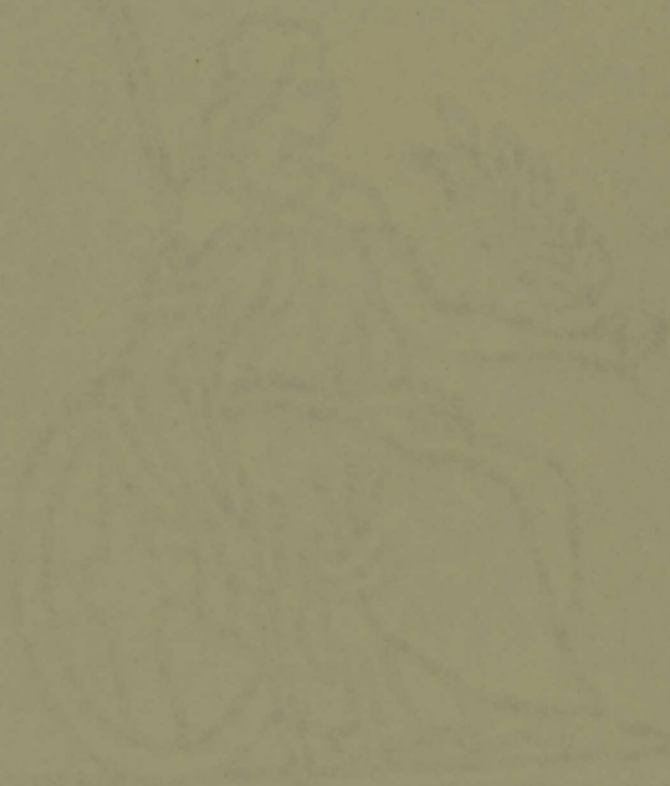
I reported Cockfield's view expressed to the Governor, that he was legally unable to take the stock exchange reference away from the court. I hoped that the Chancellor himself with the help of the Treasury solicitor might challenge this; and I said the Governor would doubtless be discussing this with the Chancellor tomorrow. Wass said that he had seen our note on the subject down for comment. He remained very sympathetic and hoped they could weigh in with Cockfield and the Department of Trade.

see
D.W.M. 7/7
* Ken Pine 13/7
PPS
T/S.

Cwm

7 July 1982

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