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FROM: J O KERR  
13 July 1982

SIR KENNETH COUZENS

cc Sir D Wass  
Mr Littler  
Mr Lavelle  
Mr Carey  
Mr Monck  
Miss Randall  
Mr Hawtin

MEETING WITH THE GOVERNOR: 8 JULY: RESTRICTED SESSION

Following the plenary discussion with the Governor on the afternoon of 8 July the following issues arose in a more restricted session:-

(a) Hungary. The Governor explained that the Hungarian Central Bank were now seeking a further \$300 million BIS facility, and asked whether, if the Bank were to take their pro rata share, and it were drawn down, and claims were made, the governments attitude would be supportive. The Chancellor indicated that he was rather hesitant about the desirability of, and need for, further UK involvement. The Germans had, in his view, the greatest interest. And a government guarantee would be hard to explain to Parliament.

(b) Argentine. The Governor made out his case for an early end to the freeze on Argentine financial assets (along the lines of his speaking note, which you have seen). The Chancellor agreed, and indicated that he would put early proposals to his OD colleagues.

(c) ECOFIN/CFM. The coincidence of the informal Danish ECOFIN and the CFM was discussed. The Chancellor indicated that he would not go to Denmark, and that he had yet to

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decide who should represent him. The Governor indicated that he was inclined to go, returning in time for the CFM afternoon session on 30 August. It was agreed that there should be further consultation between officials. The Chancellor also mentioned rumours of continuing difficulties over the Bank lunch for Central ~~Bank~~ bankers and Senior Finance ministry officials on 31 August; and the Governor confirmed that it was his intention that the designated senior official in each delegation should be invited to the Bank lunch.

(d) Italy. The Chancellor reported Sir Andreatta's requests to him in Rome on 7 July, and suggested a weekend talk in Basle between the Governor and his Italian counterpart. The Governor said that this was already envisaged.

A handwritten signature in dark ink, appearing to be "J O Kerr".

J O KERR

Copied to T E Allen Esq  
Private Secretary to the Governor  
Bank of England

15.7.82

MEETING ON

CONTINUATION OF MEETING  
HELD 8 JULY 5.15PM

on  
15/7

Date: 15 JULY  
Time: 9.45 AM  
Place: GOVERNOR'S ROOM

Those attending:

NOT ATTENDING

- G
- DG
- EAJG
- DAW
- JCRD
- JSFF
- ALC
- CAEG

JSFI (GL)

Relevant Papers:

- 9/7 JCRD memo "The Worsening World Scene"
- 8/7 DAW memo "July"
- 5/7 JSFF memo "July"
- 25/6 SRI memo "Summer NIF Financial Forecast"