

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

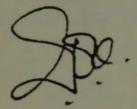
Following the plenary discussion with the Governor on the afternoon of 8 July the following issues arose in a more restricted session:-

- 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) <u>ECOFIN/CFM</u>. 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



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 Karks 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.



J O KERR

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

MEETING ON

CONTINUATION OF MEETING HELD 8 JULY 5.15PM

Date: 15 JULY

Time: 9.45 AM

Place: COVERNOR'S ROOM

m 15/7

Those attending:

G D B A W D C R D J S F F A L C C A E G

NOT ATTENDING

JSFI (GL)

Relevant Papers:

9/7 JCRD MEMO "The Worseing World Scene"
8/7 DAN MEMO "JULY"
5/7 JSFF MEMO "JULY"
35/6 SRI MEMO "SUMMER NIF Financial Forecast"