

STRICTLY PERSONAL & CONFIDENTIAL



The Governor

Bank of England
London EC2R 8AH

17 February 1989

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The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London
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Dear Prime Minister,

I was very grateful for the opportunity of such a long and helpful discussion with you, Nigel Lawson and Geoffrey Howe on Wednesday. Difficult as it may appear, I shall do my utmost to achieve the outcome that we all want.

I hope you will not mind my making one further point to you ahead of your meeting with Karl Otto Pöhl. From my own personal viewpoint it is extremely important that the members of the Committee should not know that you have seen drafts of our report, or that you have heard detailed accounts of the Committee's proceedings. If Pöhl were to hear that, it would be bound to get around the Committee very quickly and that would seriously undermine my position there. It has been agreed within the Committee that Committee papers and proceedings are to be treated as private. While I am sure that I am not the only Central Bank Governor to have breached this convention, my personal position could be especially vulnerable to the knowledge that I have done so.

Consequently, it would be immensely helpful to me if Pöhl were to understand that I have done nothing more than discuss with you in principle the general questions.

Yours ever,
Robin