

ROD  
538

11/16/79

NOTE FOR RECORD  
(agreed with the  
Deputy Governor)

Copies to: The Deputy Governor  
Mr. Fforde  
The Chief Cashier  
Mr. Walker  
Mr. Goodhart  
Mr. Coleby/Mr. Cooke  
Mr. Quinn

1 Mr. *Richard Miskawa*

2 Mr. *Drake*

*Mr. Wadford*

*Mr. Hetherington*  
*Mr. Mack*

*Mr. Curran / Mr. Reid / Mr. Giffin*

1. The Governors saw the following separately this afternoon to seek assurances with regard to the corset:

- Mr. John Baring (AHC)
- Lord Armstrong (CLCB)
- Mr. Reilly (American Banks Association of London)
- Mr. Yokota (Japanese Banks)
- Mr. Tangemann (Foreign Banks)

I understand that each discussion was conducted on the basis of the attached (though copies were handed to the first two only). All were asked to return and confirm the readiness of their members to comply with the Governor's request. All were made aware that it was the Governor's wish that this request be treated as informal; but all were left in no doubt that the fullest compliance with the spirit of it was expected.

2. The Governor had mentioned the proposed meetings to the Chancellor [contact was made just after the Governor had started the session (the first) with John Baring]. The Chancellor endorsed what was proposed. He expressed some concern as regards the link with the exchange control decision in October. The Governor said he would ask for co-operation in continuing the operation of the SSD Scheme. There had to be some reference to external factors otherwise people would think that the "bill-leak" was in mind.

The Chancellor expressed unease about credit cards and considered that there was pressure for action. They were an "obtrusive" problem.

3. The Governor told the Chancellor that he intended to undertake his Far East trip. Not to do so would perhaps engender unease. The Chancellor agreed with this.

J.S. Beverly (4121),  
Governors' Office.  
15th November 1979.

*B*  
*J*  
*AW*

*AW 19/11* *ADM 20/11* *SWO 22/11* *RMA 23/11* *DHC 23/11* *JM 29/11*

The Bank announced this morning that the SSD scheme had been extended for a further period of six months. In the House this afternoon the Chancellor referred to the limitations of this scheme and to discussions that would take place about alternative techniques of monetary control.

The limitations of the SSD scheme have evidently been potentially increased by the abolition of Exchange Control; and I must therefore request that during this further extension of the Scheme, your members should not seek to avoid its effects on them by arranging for the relevant transactions to be conducted outside the United Kingdom by their branches or associates. I ask for your assurance that your members will comply with this request.

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15.11.79