

NOTE FOR RECORD

Copies to The Governor
The Deputy Governor
Mr Blunden
Mr Loehnis
Mr Cooke
Mr Balfour o/r
Mr Holland
Mr P J Bull
Mr Price

HUNGARY

During his meeting this afternoon with Sir Jeremy Morse and Norman Jones, the Deputy Governor drew their attention to the article in today's Financial Report by Majory Deane on "Bank of England bludgeoning" over banks' lending to Hungary.

Sir Jeremy Morse expressed the view that the article was extremely unhelpful. He undertook to investigate whether the source for the article had come from within Lloyds, although he thought that this was extremely unlikely. He promised to revert to us after he had completed his investigation.

The Deputy Governor and Morse considered whether Morse should raise the matter through the CLCB with the other clearers. Overall, Morse felt that this might not be the best way to proceed, since some of the other banks might not be as sympathetic as he was. Perhaps if the source could not be traced to Lloyds, Morse suggested that the Governor might take it up with the other Chairmen orally.

Deputy Governor's Secretariat HO-P
3 June 1982

C A Enoch (4498)

CAE