2. Monetary Base IV
Part C

Comments on Green Paper

6/8/1980 – 14/8/1980

REV. 2/6/03E

MCC(80)34 COPY NO.

6 August 1980

HER MAJESTY'S TREASURY

MONETARY CONTROL CONSULTATIONS

COMMENTS BY THE BSA

Note by the Secretaries

The attached memorandum by the Building Societies Association is circulated for information.

M D K W FOOT
M L WILLIAMS

H M Treasury

THE BUILDING SOCIETIES ASSOCIATION

SECRETARY GENERAL
NORMAN E. GRIGGS, C.B.E.

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LEHW/PW

As from: Nationwide Building Society
New Oxford House
High Holborn
London WC1V 6PW

Nigel Lawson Esq MP
Financial Secretary to the Treasury
Treasury Chambers
Parliament Street
London SW1P 3AG

1 August 1980

Dear Financial Secretary,

Monetary Control

Further to your letter of 20 March, I now enclose a copy of a memorandum setting out the views of the Building Societies Association on the Green Paper "Monetary Control" and the consultation paper by the Bank and the Treasury on possible developments in the methods of monetary control.

I am sorry if this paper is rather belated but there has, as you know, been something of a dialogue going on over the last few months between building societies and the Government on the place of building societies in the monetary system and one has wondered at what point it was desirable to pause and submit formal views.

I would be very happy to make myself available for further discussion with you or officials of the Treasury if you should feel it appropriate and, as is indicated towards the end of the memorandum, we may ourselves request an opportunity for discussion in the light of developments.

Yours sincerely

Chairman

FINANCIAL SECRETARY
REC. - 5 AUG 1980
ACTION MR BRIDGEMAN
COPIES TO PPS, PS/CST, PS/MSTC, PS/MSTL
SIR D WASS
MR RYRIE
MR MIDDLETON
MR UNWIN
MR SHIELDS
MR RIDLEY
MR RILEY
MRS GILMORE

MONETARY CONTROL

Observations of the Building Societies Association

Introduction

1. On 20 March 1980, the Government published a Green Paper "Monetary Control" (Cmnd 7858). The Green Paper included a consultation paper by the Bank of England and the Treasury on possible developments in the methods of monetary control. The Government invited the views of the Building Societies Association.

2. On 21 May 1980, representatives of the Association had an exploratory discussion with officials of the Treasury and the Bank and, over the period since the publication of the Green Paper, there have been a number of formal and informal comments by representatives of Government and building societies which have touched on the place of societies in the monetary system. These are reflected to some extent in this response.

The System of Monetary Control

3. The Building Societies Association notes that the Government has decided to choose as its target for the purposes of monetary control the monetary aggregate known as Sterling M3 (£M3) - an aggregate which does not include deposits in building societies. However, the Green Paper makes it clear that £M3 may not remain the most appropriate aggregate in the face of long term changes in the institutional structure and this point was underlined in the speech made to the Annual Conference of the Building Societies Association in May 1980 by the Financial Secretary to the Treasury.

4. Because £M3 has been chosen as the appropriate monetary control target, the changes in monetary control techniques which have been made and suggested by Government as the means of achieving a smoother path in the growth of the money supply over the relatively short term are ones which apply specifically to the banking sector. They thus have no direct relevance to building societies and, indeed, it appears to be the policy of Government to continue to influence the part played by building societies in the monetary system in the long term by general interest rate policies and in the short term by consultation and persuasion. The Association does not therefore propose to comment on monetary base control or on indicator systems - issues which are specific to banks and which are specially mentioned in paragraph 6.4 of the consultation paper. There are, however, consequences which seem likely

to flow from the changes proposed by the Government and the Association wishes to comment on these.

Interest Rates

5. While different commentators have expressed different views, there appears to be a balance of opinion that the Government's intention to achieve smoother short-term growth in the money supply could result in more frequent and possibly wider fluctuations in the general level of interest rates. This is a prospect which building societies cannot view with equanimity for a number of reasons.

6. Although deposits in building societies are raised almost entirely from the personal sector, they now amount to about £45,000 million and include a growing proportion of money which is extremely interest-rate sensitive. While building societies have in recent years endeavoured, by the issue of term shares, to increase the proportion of their capital which is held in relatively stable form, more than 80 per cent of their capital is, in practice, withdrawable at very short notice. At the end of April 1980, 84.3 per cent of balances had a residual maturity of under one month; a further 3.2 per cent had a residual maturity of between one and six months; 6.3 per cent had a residual maturity of between six months and two years and only the remaining 6.2 per cent had a residual maturity of two years and over. Building societies are obliged therefore to keep their deposit interest rates closely in line with short term interest rates in the personal money markets and they have over recent years become increasingly vulnerable to fluctuations in those rates.

7. At the same time, 80 per cent of the total funds of building societies are invested in mortgage loans - almost all in relatively small sums to individuals for home purchase. Virtually all existing building society mortgages contain variable interest rate clauses which permit the rate of interest payable on loans to be raised or lowered on the giving of appropriate notice by the society. Theoretically, the variable interest rate mortgage should enable building society deposit interest rates to be kept in line with the market because any increase or decrease which is required in those rates can be compensated at relatively short notice by an increase or decrease in the rate of interest charged on existing as well as new loans.

8. In practice, however, this ability to adjust readily to prevailing market conditions has seldom proved possible of easy implementation. Apart from the requirement to give notice of interest rate changes to borrowers and the administrative problems of making consequential adjustments (often of an individual and personal nature) to monthly loan repayments, the rate of interest charged to borrowers (particularly existing borrowers) has become a matter of considerable public and political concern. In consequence, most building society interest rate adjustments are the subject of wide coverage and comment in the media and some desirable adjustments have been delayed and some undesirable adjustments brought about by strong political pressure.

9. As a result of this public and political attitude towards building society interest rates, the level of interest rates paid and charged by building societies is sometimes out of line with the market for periods of time, with the consequence that there are substantial flows of deposit monies between building societies and other deposit-taking institutions, particularly the banking sector. The nature and amount of these flows in recent years is illustrated in the appendix to this paper.

10. Methods are being explored within building societies with a view to enabling a more flexible response to interest rate changes and to ameliorating some of the consequences to borrowers. However, the Association wishes to make the point, that, having regard to the pre-eminently personal nature of their business and the role they occupy in the social as well as the economic life of the nation, rapid response to frequent and possibly wide fluctuations in the general level of interest rates is unlikely to be as easy for building societies as it is for other deposit-taking institutions. Nevertheless, if interest rates in the economy generally are to vary more frequently, it is probably for the benefit of building society investors and borrowers as well as for the monetary system as a whole that building society interest rates should follow, and this should be recognised by Government.

<u>Competition</u>

11. Another consequence which seems likely to flow from the changes proposed by the Government is greater competition between financial institutions in areas where they already tend to overlap. The building societies particularly envisage increased competition from the banking sector, especially from the major clearing banks which already have substantial connections with personal depositors and borrowers and large branch networks

equipped to deal with personal customers.

12. At this stage, it is not possible to forecast how energetically the banks propose to compete with the building societies for personal sector deposits and house purchase loans but lending by the banking sector for house purchase has been growing rapidly over the last year or so and, with the abolition of the Supplementary Special Deposit scheme, the major clearing banks have announced new schemes to attract and retain personal deposits. It is understood to be the desire of Government not to see any significant changes in the relative rates of growth of personal sector deposits held by, and house purchase loans made by, major financial institutions and this view has no doubt been made known to other financial institutions as well as the building societies. The relative rates of growth will obviously be carefully monitored.

13. However this may be, it seems evident that a more dynamic approach by other large financial institutions to the marketing of deposit and lending services in the personal sector cannot but affect the ways in which, and the terms on which, building societies conduct their business. Increased competition for personal deposits in particular would seem likely to lead to upward pressures on deposit interest rates with consequential effects, as far as building societies are concerned, on the rates of interest charged on house purchase loans.

14. There are, of course, quite considerable differences between the statutory powers, the methods of operation, and the administrative and other restrictions and requirements placed upon building societies as compared with other institutions and while much has been made of the competitive advantages alleged to be enjoyed by building societies, societies are in fact subject to many restrictions on the way they undertake their business and are certainly required to disclose a great deal more information of value to competitors than are other institutions. Building societies will be observing competitive developments with considerable care and, if necessary, will request the opportunity of discussing these developments at an appropriate time with an appropriate level of Government.

COMMERCIAL BANK DEPOSITS AND BUILDING SOCIETY INVESTMENT RECEIPTS

Personal Sector £m

		Deposits with Banking Sector		Deposits with Building Societies	Building Society Advantage
1967		740		1,090	350
1968		682		762	80
1969		308		890	582
1970		822		1,484	662
1971		953		1,961	1,008
1972		1,767		2,139	372
1973	1st qtr	451		438	-13
	2nd qtr	844		755	-89
	3rd qtr	900		482	-418
	4th qtr	1,186		513	-673
		3,381		2,188	-1,193
1974	1st qtr	820		133	-687
	2nd qtr	767		468	-299
	3rd qtr	445		540	95
	4th qtr	941		828	-113
		2,973		1,969	-1,004
1975	1st qtr	-62		907	969
	2nd qtr	641		1,175	534
	3rd qtr	220		986	766
	4th qtr	175		1,093	918
		974		4,161	3,189
1976	1st qtr	-154	(-146)	1,180	1,334
	2nd qtr	399	(218)	912	513
	3rd qtr	657	(402)	695	38
	4th qtr	355	(355)	514	159
		1,257	(829)	3,301	2,044
1977	1st qtr	-131	(-318)	811	942
	2nd qtr	319	(53)	1,689	1,370
	3rd qtr	193	(-67)	1,419	1,226
	4th qtr	176	(93)	2,013	1,837
		557	(-239)	5,932	5,375
1978	1st qtr	308	(88)	1,259	951
	2nd qtr	1,038	(697)	1,093	55
	3rd qtr	1,087	(693)	1,048	-39
	4th qtr	723	(756)	1,449	726
		3,156	(2,234)	4,849	1,693
1979	1st qtr	725	(611)	1,181	456
	2nd qtr	1,681	(1,095)	1,399	-282
	3rd qtr	1,863	(1,456)	1,394	-469
	4th qtr	1,896	(1,808)	1,645	-251
		6,165	(4,970)	5,619	-546

Source: Financial Statistics - March 1980
Sterling Deposits only from 2nd quarter of 1975

Figures in brackets relate to individuals, households and personal trusts only, i.e. they exclude unincorporated businesses and private non-profit-making bodies.

MCC(80)35

13 August 1980

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HER MAJESTY'S TREASURY

MONETARY CONTROL CONSULTATIONS

COMMENTS BY THE CO-OP BANK

Note by the Secretaries

The attached comments on the Green Paper by the Co-operative Bank Ltd are circulated for information.

M D K W FOOT

M L WILLIAMS

H M Treasury

Co-operative Bank Limited

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Telegrams: Cosalebank, Manchester, Telex

Our Ref. LL/LM

Your Ref.

Please address your reply to the Chief General Manager

31st July, 1980

E. A. V. George, Esq.,
Bank of England,
Threadneedle Street,
London, EC2R 8AH

Dear Mr. George,

I regret the delay in coming back to your letter of the 5th June which has been occasioned by the necessity to take the views of a number of my colleagues and the incidence of annual holidays which has impinged on this.

Our views on the subject matter of the Green Paper are therefore now submitted in the form of the attached memorandum.

Yours sincerely,

L. Lee

Chief General Manager

ENCLS.

CH/77/1/5

GREEN PAPER - MONETARY CONTROL -
A VIEW BY THE CO-OPERATIVE BANK

It should be said initially that there have been so many views expressed in the City since the publication of the Paper (together with the loosely associated Paper on the "Measurement of Liquidity") that it is unlikely that anything new can be contributed to the discussion. Many of the Papers issued have been a critique of the Bank's attitude, particularly by academics and other members of the monetarist school. Such critics have argued that the Bank is still seeking to control the "demand" side of the equation by controlling interest rates rather than controlling the money supply directly. It seems unlikely that the Bank will make so fundamental a move to "supply" management and, indeed, in the Paper the Indicator System is the one preferred by the Bank. As Bankers we would not wish to see controls on the supply of credit which would involve restrictions on banking activity in the same way as the quantitive controls on lending in the 60's and the more recent Corset controls.

As a general introduction it seems to us that the present discussion over the adequacy of the techniques of monetary control has inevitably drawn on the wider debate over Keynesian and monetarist economic philosophies; however, we have examined issues from a pragmatic viewpoint. Whilst the major consideration in the operation of monetary control must be the effectiveness in contributing to the smooth running of the Government's overall economic policy, the effects of the different techniques of monetary policy on the banking system should also be taken fully into account. If the banks are to operate efficiently they must be given the flexibility to meet customers' requirements for financing, and, equally importantly, they must be allowed to operate in an evironment of free and fair competition. It is within this framework that we now elaborate our comments on the Green Paper.

As a Green Paper should, this document contains more questions than answers. Therefore we do not fully share the disappointment in some quarters about the lack of concrete proposals and recommendations, but rather welcome the opportunity for reflection and comment.

Having said this, however, we would argue that there is a serious flaw in the Paper, and this is the absence of reference to the funding of Government borrowing through sales of gilt-edged securities. Given the scale of funding activity in the U.K., a paper on monetary control without reference to these procedures is greatly weakened. This is even more the

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case when the extremely close relationship of the funding system to the two major policy instruments for controlling the growth of the money supply - fiscal policy and interest rates - is borne in mind. In fully accepting the primary importance of fiscal policy and interest rates, it follows that operations on the monetary base (however defined) are seen as being relegated to the subsidiary role of achieving "a smoother path in the growth of the money supply from quarter to quarter". Therefore consideration of alternative systems of monetary base control becomes of less crucial importance. Nonetheless, we would welcome unequivocally the Paper's explicit and firm recognition that direct quantitative controls are not a satisfactory alternative means of achieving the stated policy objective.

As previously stated we would not wish to see controls on the supply of credit which would involve restrictions on banking activity in the same way as the quantitive controls on lending in the 60's and the more recent Supplementary Special Deposit Scheme. The authors of the Paper were, in our view, quite correct in outlining the various alternative systems of monetary base control, to place emphasis on the perceived difficulties connected with introduction of such systems. When considering alternatives to an established system, a fundamental consideration must be the merits of the alternative; this is more important than the disadvantages of the 'status quo'.

The authorities have quite properly played the role of 'devil's advocate' in outlining the demerits of the various alternatives. In substance, we believe that the criticisms advanced in the Green Paper are valid.

a. Monetary Base Control

(i) Schemes without a Mandatory Cash Requirement.

The Bank indicates that this system would only work if banks were induced to hold the bulk of their prudential liquidity requirements in the form of balances at the Bank rather than in the form of primary liquid assets. This would require fundamental changes in the structure of the London Money Markets to restrict the ability to transform such assets to cash. In the case of Clearing Banks, where a cash balance is already required, our own experience shows that the expected level of cash requirement and the out-turn of our cash balance(s) are extremely volatile and could not be taken as an indicator of the level of our own deposit liabilities. Additionally, the overall trend of cash requirements will undoubtedly change as new payment systems are developed. We would agree with the Bank's comments that the level of balances held would tend to equate more to the level of our transactions rather than to the size of our

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balance sheet. Again, in our own circumstances, having regard to the nature of our business and particularly the effect of certain types of customers on our cash flows, we would probably have to hold larger balances than other banks. This would be especially so if, as indicated, lender of last resort facilities were ended. Such actions would put us at a disadvantage to our competitors. The position vis-a-vis the Clearers and non-Clearers generally is even more important as the non-Clearers do not really have any need at all for cash balances and there would be no control over the size of their balance sheets other than those of prudent and responsible banking. They would be able to lend as freely as they could obtain deposits. It could be expected that any shortage of cash amongst the Clearers would be transmitted to the non-Clearers as the Clearers ran down their lending in the inter-bank market, so increasing the marginal cost of funds to the non-Clearers. It seems unlikely however, that there would be a constant ratio between the banking system cash and its total deposits. The non-Clearers could turn to alternative, non-banking, sources of deposit.

One result of this system could be the running-down of overdraft facilities as the Clearing Banks especially seek to stabilise their cash flows by "fixing" more loans. This would be a serious blow to industry, especially in today's economic climate. The bank overdraft is one of a Company's most flexible resources enabling it, for example, to meet and overcome temporary changes in its trading environment. If this effect did materialise it would seem to be counter to the regular exhortations we receive to assist industrial borrowers as much as possible. Businesses, especially small businesses, would certainly suffer under any system which brought with it a demise of the overdraft system.

(ii) Schemes with a Mandatory Cash Requirement

The difference between Clearers and non-Clearers is immediately apparent here. To require non-Clearers to hold cash when they have no practical need for it is, in reality, a tax on their operations in the same way that the current requirement for Clearing Banks to keep higher balances than we believe necessary is a charge against our profits. However, to have a cash ratio for Clearers but not non-Clearers would clearly be unjust. This could lead to a diversification of business to non-bank financial intermediaries and the off-shore banking system, in

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the same way that has happened to some extent in the United States.

The Bank has suggested that a mandatory requirement could be operated in one of three ways. Firstly, "lagged accounting" whereby the level of deposits at a point in time would give a requirement to hold a certain level of base assets at some time in the future. To make this effective in the control of money supply this would have to be accompanied by a progressive system of penal rates of interest if the Bank had to supply base assets to banks, or a penalty scheme (similar to the Corset) if banks did not meet the requirements. Such controls have not proved effective in the past as banks have disintermediated to good effect and would probably do so again under similar conditions. (this is the fundamental point argued by the monetarists who say that the Bank should not supply additional base assets but that banks would have to bid-up in the market when their liquidity was under pressure in order to get hold of base assets whose total is strictly limited. Interest rates would rise giving the banks a profit motive to undertake assets as well as liquidity management. This, it is claimed, could also lead to a more competitive banking system). Lagged accounting would be the easiest option to manage from our point of view but could be a severe restraint on growth and in our case could be as restrictive as the Corset.

The second system considered is "current accounting" operating similarly to the reserve asset ratio where base assets at a make-up date would have to equate in a given ratio to the level of deposits at the same date. We again concur with the Bank's view that Clearing Banks, including ourselves, would have difficulty in accurately predicting the requirement for base assets early enough to have the opportunity to bid for them so, probably resulting in excess amounts of such assets being held. This volume of excess base assets would fluctuate and the growth of these base assets would, therefore, not be a reliable guide to monetary growth. This system would also need penalties as in the case of lagged accounting above.

The third system "lead accounting" would to us be the most restrictive, although this has attractions to the Bank in that it would give an advance warning of the level of the future trend in the money stock. Under such a system the banks' deposits would be restricted to a multiple of their base assets at an earlier date. This would involve

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penalties for either shortage or excess holdings of base assets. Such a system would require very accurate cash flow forecasts in order that a base could be set at one date in order to support the level of deposits at a future date. Our own experience has been that such accurate cash flow forecasting would be extremely difficult, especially in an environment where large overdraft facilities were enjoyed by a small number of customers in any one sector, and in a rapid growth situation. As with a scheme without the cash requirement, lead accounting could force Clearing Banks to curtail use of overdraft facilities to the obvious disadvantage of its industrial/business customers. Such a system could also give rise to disintermediation or reintermediation operations as banks would try to ensure that deposits were built-up if they had been previously underestimated or that lending was diversified into non-controlled areas if they had been overestimated. Such adjustments would give rise to the same problems associated with the corset scheme.

b. Indicator Systems

Indicator Systems have been used in the recent past when Minimum Lending Rate was tied to the weekly Treasury Bill Rate (although there is no mention of this in the Paper). Such a system was obviously found to be unsatisfactory as the formula was often over-ridden and eventually discontinued. The problem could have been in some way due to the fact that it was tied to a 3 month rate whereas it was used to determine the interest rate for lending which was usually overnight only.

The envisaged Indicator System would have a pre-set level of rate changes geared to specific weekly movements in a monetary indicator. It would fix an "operative rate" for lending to the Discount Market the following week. This operative rate would be based on Minimum Lending Rate plus or minus any change triggered by changes in the indicator. The Bank may change Minimum Lending Rate itself if the operative rate persistently diverged from Minimum Lending Rate by an overall pre-set limit, and 3% has been suggested. The system would be coupled with a mandatory base requirement but lender of last resort facilities would be available. The Bank would also preserve the ability to over-ride the automatic rate changes.

It is possible that under such a system dealers would see the indicator nearing its trigger point and would, for example, divest themselves of longer term debt. (e.g. Gilts) if rates were to

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> rise and would refrain from making loans at less than the prospective rate. Such action would in itself cause rates to rise, giving rate differentials until the administered rate were also changed. One possible advantage is that rate trends might be less difficult to forecast provided that the Authority over-ride is not used too often.

It is generally agreed that whichever of these courses is followed interest rates would be more volatile. This could require more frequent base rate changes which might be administratively difficult and/or expensive.

With regard to the future of the overdraft system and in problems of cash flow forecasting we see particular difficulties which are exacerbated by our own development and expansion at the present time. We would prefer to be free to use our own managerial judgement over as many areas of our operations as possible whilst acknowledging the requirement for prudential ratios. At the present stage of our development we would not be in favour of measures that had a quantitive control on our operations (as some systems of monetary base control would) for the purposes of monetary control requirements for the banking system as a whole. The indicator System would not affect us in the same way as the possible monetary base control systems and could be supported perhaps on the basis that if we have to have something then that would be the better prospect involving less radical change from the present. Although a mandatory base requirement could be part of such a system, if spread throughout all banks this may be less restrictive than the present requirements for Clearing Banks. In this respect we would have preferred to have seen the detailed discussion paper referred to in paragraph 6,3(iv) before making more detailed comments.

We conclude that both of the new proposed monetary control systems in the Green Paper are somewhat flawed, and in our view a further fruitful area of enquiry is the present system of funding government borrowing through sales of gilt edged securities.

There has been an increasing dissatisfaction with the present system of issuing gilt edged securities, which, it is claimed, results in exaggerated movements in interest rates, increased interest payments on the national debt and an uneven growth of money supply, with control impaired.

The underlying cause of the failure of the present system to our mind has been a mismatch between policy goals pursued by the Government and the authorities; that is that fiscal and monetary policy have not been sufficiently harmonised. However, specific reforms of the market can, we believe, go a lomg way to allaying the symptoms, if not the cause of the problem. Whilst some changes in the techniques of selling gilt edged stocks have been implemented during the last few years, notably the introduction of the partial tender system, we would nevertheless support the conclusion of the Committee to review the functioning of Financial Institutions,* that these innovations have not gone

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* Final Report Cmnd 7937 paragraph 636

far enough. The Committee recommended that, in consultation with the institutions, the authorities should give consideration to devising means of funding part of the PSBR by issuing long dated stocks through an underwritten tender. We believe this is a constructive and, on the surface at least, appealing proposal, which merits the full attention of the financial community and the authorities.

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14 August 1980

HER MAJESTY'S TREASURY

MONETARY CONTROL CONSULTATIONS

LIST OF CIRCULATED PAPERS

Note by the Secretaries

Recipients might find it helpful to have the attached list of papers circulated to date.

M D K W FOOT
M L WILLIAMS

H M Treasury

MONETARY CONTROL CONSULTATIONS: CIRCULATED PAPERS

TR(MON)

1	Comments ("First Thoughts") by Professor Harold Rose
2	Comments by Richard Coghlan
3	Comments by Professor Andrew Bain
4	Comments by Professor Richard Sargent
5	Comments by Greenwells (ie Gordon Pepper)
13	(Further) Comments by Professor Harold Rose

MCC(80)

1	Arrangements for circulation
2	Comments by Grenfell & Colegrave, Investment Research
3	Comments by Sheppards & Chase
4	Draft paper by David Lomax "Consultative Documents on Monetary Control and the Measurement of Liquidity"
5	Comments by Phillips & Drew in "Gilt Edged Research"
6	Note by Mr Grice commenting on Professor Rose's paper TR(MON)1
7	Note by Mr Grice commenting on Gordon Pepper's views in TR(MON)5
8	Note by Mr Williams recording the discussion at a seminar organised by Fulton Packshaw
9	Note by Mr Foot commenting on Gordon Pepper's comments in TR(MON)5
10	Article by Karakitsos and others "The Indicator System and UK Monetary Policy"
11	Comments by Grieveson, Grant & Co
12	Comments by Andrew Smithers of Warburgs
13	Paper by Mervyn Lewis "Banks, non-bank intermediaries and monetary reform"
14	Paper by Dr Hugh Wills "The Economics of Bank Regulation"

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MCC(80)

15 Paper by the Local Authority side of the Treasury Committeee on Local Authority Borrowing commenting on the Green Paper and the Bank's liquidity paper

16 Note by Dr Mervyn Lewis on comments by Pepper and Foot - TR(MON)5 and MCC(80)9 respectively

17 Comments by Samual Montagu & Co Limited

18 Article by Richard Coghlan "Abandoning Monetarism for Monetary Control"

19 Comments by Ian Morrison and Paul Tillett

20 Note by Mr Grice recording the Money Study Group's discussion on 16 May

21 Note by Mr Pickford, recording the City University Conference on 20 May

22 Comments (in addition to those in MCC(80)5) by Phillips & Drew

23 Paper by David Howard (of the Fed) "The British Banking System's Demand for Cash Reserves"

24 Comments by the CBI

25 Comments by the CLCB

26 Comments by the Association of Consortium Banks

27 Comments by the Committee of Scottish Clearing Bankers

28 Comments by Japanese banks

29 Comments by the TUC

30 Comments by Dr Max Hall

31 Comments by the LDMA

32 Paper by Dr Mervyn Lewis "Is Monetary Base Control just Interest Rate Control in disguise?"

33 Articleby Tim Congdon "The Monetary Base Debate: another instalment in the currency school versus bank school controversy?"

34 Comments by the Building Societies Association

35 Comments by the Co-op Bank

36 Comments by the Accepting Houses Committee