



SELECT COMMITTEE

31st / 1980

4.30 P.M.

BANK

What's gone wrong?

Write the to men the conduct of
master appointments.

Progress for July - Budget have a number of
causes

① Timing of conduct. Conduct had been
in since June 1978. Earliest
Milestone had been Martin.

Banks maybe gift edged at the
the conduct ended.

② Increase in lending by Banks to
Local Authorities.

③ Increase due to some of underlying rate
of growth & starting in 3

a. P.S.B.R. - NOT ABLE TO
FUND COMPLETION

b. Expenditure with LIB CONTRIBUTION.

c. CONTINUING HIGH BORROWING FROM
BANKS.



BARCEL

What is current rate at which Norway
Supply is growing?

19% is what Chancell said.

BARCEL

Take current forward year.

Greater update = rest of year.

Current quarterly for whole year.

Finally data has gone well.

Now growing bounds.

BARCEL

6 1/2 - 10% T.M.A.S. = 100% T.M.A.

What do you say?

Rather for Chancell.

BARCEL

What weapons do you have apart from
Direct Aids.

Rate reduction is Fiscal Policy

+ Interest rates.

P.S.B.I. has made the last of all
and has become a great loss.



Barre

Lot time may 1 -
restored efficiency of interest rates

as instrument of actively monetary growth

DOES A HIGH RATE OF INTEREST REDUCE BORROWING?
- MUCH BORROWING IS INVOLUNTARY.

- Corporate sector has been responsible for
most of the borrowing.

Barre

What would have happened if you had
reduced m.c.a. of 2% last Thursday.

- Higher cost tends to be contractionary

Low cost tends to be expansionary

Barre

Should not have concentrated on
P.S.B.A. rather than on money
supply.

- Totally convinced that there is a
connection between monetary growth and inflation.

P.S.B.A. is correct.



Baker

Your policy is very unfair. The price
center has been for and of the bank.

Higgins

Has had been trying to prevent interest
rates rising; would matter greatly have been
less if the rates had been higher.
Do you think we can control interest rates - more supply.

a. This we have been trying to keep
interest rates down.

b. You can't control state rates - more
supply of the same time - 5000000.

5172-007

Do you consider gold and silver
— 2500 1764.

Does it have a high value plus

you would not

— by economic conditions.

Why don't you tell the fact down.



Feb 6/42

Dear Mr. [unclear] [unclear] you are
not at fault [unclear] P.S.B.A. is
to blame for our [unclear].

P.S.B.A. higher than [unclear].

Feb 6/42

What do you think about
under [unclear] gets.

I have reservations.

Feb 6/42

What [unclear] [unclear] [unclear] you
think?

How [unclear] could P.S.B.A. rise without
you without damage to a [unclear] rate
& inflation policy.

— Very difficult to say.