



HM Treasury, Horse Guards Road, London, SW1A 2HQ

9 June 2003

**The Rt Hon Sir Edward George  
Governor  
Bank of England  
Threadneedle Street  
London EC2R 8AH**

Dear Eddie,

The Bank of England Act (1998) requires that I specify what price stability is taken to consist of and the Government's economic policy objective at least once in every period of 12 months beginning on the day the Act came into force. I last wrote to you on this matter on 9 April.

I am writing today to give you advance notice of my intention to change the MPC's remit in the next Pre-Budget Report to give the Bank of England a symmetric inflation target as measured by the Harmonised Index of Consumer prices. I believe this will improve the quality of the inflation target and help ensure inflation expectations in the UK remain in line with those in the euro area.

Yours sincerely

Gordon

**GORDON BROWN**