

Credit restrictions: continuing enforcement

*Press announcement by the Bank of England
on 30th August 1968*

Judging from the figures published this morning, the Clearing Banks' lending to the private sector had fallen by mid-August to a level within the 104% ceiling introduced on May 23rd. This has happened despite a continuing upward trend in lending for priority purposes, in particular the finance of exports; and must be attributed largely to the restrictive policy adopted by the banks in response to the authorities' requests.

While recording their appreciation of this response, the Bank of England take this opportunity to stress that the current credit restrictions must continue to be rigorously enforced over the period ahead. It follows that the growing needs of borrowers in the top priority categories will have to be met from further reductions in lending for other and less essential purposes. The Clearing Banks have recently been reminded of this requirement of official policy and have assured the Bank that they will continue to adjust their lending policies accordingly. The attention of the Scottish Banks and of the main Associations of other banks in London has been drawn to the substance of this reminder. All have been reminded of the particular need to restrain lending for the finance of personal consumption and of imports.