

## Credit restriction

*Press announcement by the Bank of England  
on 28th July 1970*

On the 14th April the London Clearing Banks and the Scottish Banks were asked by the Bank of England to ensure that their sterling lending to the domestic private sector and to overseas borrowers (other than fixed rate lending under the special schemes for export and shipbuilding finance) should show only a gradual and moderate increase, not exceeding about 5%, during the twelve months to mid-March 1971. The Clearing Banks' statement published this morning indicates that, in the month to mid-July, after allowance for seasonal influences, their lending in this area rose at a pace which, if not moderated, would prove inconsistent with this request. Also Scottish Bank lending has risen sharply over the last month.

The Clearing and Scottish Banks have accordingly been reminded that the guidance relating to the volume and direction of their lending given to them by the Bank of England on the 14th April 1970 remains in force, and have been asked to take all possible steps to bring about a lower rate of growth in their lending in the months immediately ahead, including maintaining pressure in appropriate cases for long term funding of indebtedness by their customers.