

Bank lending

The text of a letter which the Governor of the Bank of England sent on 7th August 1972 to the banking system

There are now signs that demand from industry for bank finance to sustain expanding activity is growing more broadly than in recent months.

I am sure banks appreciate the need to meet this demand if the growth of the economy is to proceed soundly; and I ask that they should as necessary make credit less readily available to property companies and for financial transactions not associated with the maintenance and expansion of industry. Indeed, I understand that the London clearing banks are already taking steps in this direction.