

## **Credit control**

*Notice to banks and deposit-taking finance houses, issued by the Bank of England on 12 May 1977.*

### **Supplementary special deposits**

The Bank of England announce that, with the approval of the Chancellor of the Exchequer, they have decided to continue the operation of the supplementary special deposits scheme for a further six-month period on an unchanged basis.

Thus, the base on which the operation of the scheme rests will continue to be the average of each institution's interest-bearing eligible liabilities outstanding on the make-up days for August, September and October 1976, and the specified rate of growth for each institution will continue to be  $\frac{1}{2}\%$  per month of that average. The application of the extension of the scheme will start from the average of each institution's interest-bearing eligible liabilities on the make-up days for April, May and June 1977, and end with the average of the make-up days for October, November and December 1977. Otherwise, the terms of the operation of the scheme remain as set out in the Bank's notice of 18th November 1976.

The continuation of the scheme is intended to help ensure that domestic credit expansion and the rate of growth of sterling money supply remain within the limits set; and the specified rate of growth for interest-bearing eligible liabilities is expected to be sufficient to enable banks and finance houses to accommodate the needs of industry for essential finance. The Bank of England's guidance (set out in their notice of 22nd July 1976) to banks and finance houses on the direction of their lending remains in force.