



10 DOWNING STREET

Prime Minister ②

The bank deposits of nationalised industries and local authorities are currently included in £M3 but movements in such deposits tell us nothing about activity in the economy as the level of deposits is largely determined by administrative rules.

Sometimes, month to month fluctuations in such deposits obscure movements in private sector deposits. So it is right to remove them.

It is all a question of finding the right moment which Chancellor thinks is now.

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