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SIR ALAN WALTERS

Thank you for showing me your monograph on Monetary Policy.

There are only two passages which cause me any worry in this. One is the reference to the views of the Bank of England about the MTFs in the bottom paragraph of Page 30 and the top of Page 31. At the bottom of Page 30, I suggest deleting the words "not only the Bank but". And I suggest that the top paragraph on Page 31 could be omitted without seriously detracting from the argument.

The second passage is the reference to the views of Sir Geoffrey Howe and Mr. Lawson at the bottom of Page 22. I suggest that you delete the first words of the last paragraph on Page 22, so that it starts "I have predicted"; that you delete the words "It was also reported that" at the beginning of the second sentence; and that you delete the words "both discredit the Heath/Barber position, and". Again I do not believe that the deletion of these words detracts from the argument.

I should prefer that this and other monographs are not published until after August when your paid consultancy for the Government comes to an end; and you tell me that you do not propose to publish them until after that point. I look forward to reading the revised version of your piece on fiscal policy.

E. E. R. BUTLER

8 May, 1984