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10 DOWNING STREET

LONDON SW1A 2AA

6 June 1989

Sir Peter Middleton KCB  
Permanent Secretary  
H M Treasury  
Parliament Street  
LONDON SW1

Dear Peter,

The media are currently misrepresenting my views even more than they usually do! For your information (and I would be glad if you would consider passing this on to the Chancellor):

- (a) I believe that the monetary stance is broadly right, and all the signs (except for the recent MO weekly figures) are auspicious.
- (b) I am fully supportive of the "fully-fund" policy that I argued for way back in 1981/2.
- (c) I am against any broad money target. Broad money is a useful statistic but a misleading target. If we control MO, however, we can prevent any persistent inflation.

Of course, I have made my views known to you before so they come as no surprise. They were also laid out in my book for anyone to read. I suppose that the media misrepresentation serves to sell papers rather than to serve the truth.

I am copying this to Andrew Turnbull, Bernard Ingham, Paul Gray and Professor Brian Griffiths.

Yours,

*Alan*

(Professor Sir Alan Walters)



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With the compliments of

*Alan Watkins*

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