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PWLb.mem

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 March 1990

THE PUBLIC WORKS LOAN BOARD

The Prime Minister was grateful for the Chancellor's minute of 7 March. She accepts that there are residual functions which justify the retention of the PWLB, and sees particular importance in being able to emphasise the independence of the Commissioners as a buffer between central government and individual local authorities. However, she thinks that it would be appropriate over time to phase out cheaper loans from the PWLB to local authorities together with long-term loans at fixed rates of interest.

I am copying this letter to Paul Tucker (Bank of England).

PAUL GRAY

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John Gieve, Esq.,
HM Treasury