

**BANK OF ENGLAND
QUARTERLY BULLETIN**

INDEX

Volume VI

1966

Index

Volume VI of the *Bank of England Quarterly Bulletin* comprises the following issues:

No. 1, March pages 1-100	No. 3, September pages 205-308
No. 2, June pages 101-204	No. 4, December pages 309-400

Each issue contains a Commentary, which reviews the U.K. economy during the preceding three or four months and assesses prospects, an analysis of financial statistics, some articles, and a statistical annex.

The principal topics included in the Commentary will be found as indicated below:

Balance of payments 5, 104, 211, 321	Exchequer financing 7, 110, 217, 314
Banks 7, 8, 110, 111, 218, 219, 313	Foreign exchange market 12, 107, 207, 318
Bill markets 8, 113, 214, 215, 315	Gilt-edged 9, 113, 216, 316
Building societies and hire purchase finance houses 11, 112, 116, 215, 217, 219, 316	Gold 15, 109, 210, 320
Debentures and equities 10, 115, 216, 217, 317, 318	Local authorities 10, 114, 215, 217, 315
Domestic economy 4, 103, 106, 212, 213, 311	Reserves and special transactions 14, 109, 209, 320
	Short-term capital movements 13, 210, 320

The analysis of financial statistics traces the flow of funds each quarter between the six sectors of the economy: persons (including unincorporated businesses); industrial and commercial companies; public sector; overseas sector; banks; and other financial institutions. An annual article reviews the financing of these sectors over the year as a whole. The relevant pages are as follows:

3rd quarter 1965 18	1st quarter 1966 221
4th quarter 1965 118	2nd quarter 1966 324
Year 1965 128	

The references which follow cover particular events or features which have appeared in the Commentary, and—in bold type—the subjects of the articles in this volume. A brief description of the articles in this volume is given on page 402, and a guide to the contents of the statistical annex on page 411.

Accepting houses and overseas banks			
Advances by	8, 112, 219		
Governor's letter requesting continued restraint on credit	3		
Austria, participation in central bank facilities	209		
Balance of payments, U.K.			
Improvement expected	213, 220, 322		
Measures to correct	106-7, 213		
Seamen's strike, effect of	211		
Bank advances			
Analysis by borrower	7, 111, 314		
Seasonal adjustment of B.B.A. analysis (article)	257		
Selective employment tax, no general arrangements to offset effect	207, 219		
Bank for International Settlements, participation in central bank facilities	209		
Bank of England			
Advances to the discount market	9, 214-15, 315		
"overnight" " " " "	214-15, 315		
Commercial bill purchases, proportion of inland finance bills reduced	215		
Functions and organisation (article)	233		
Governor's letters	3		
Governor's speeches, extracts from	51, 157, 352		
Open-market operations	9-10, 114, 214-15, 216, 311, 315, 316-17		
Overseas investment plans to be submitted to	107		
Press announcements on bank lending	219, 313, 314		
Special Deposits called	207, 208		
Bank notes, growth in demand for new notes (article)	37		
Bank rate, increase in July	207, 208		
Basle arrangements (<i>see</i> Central bank facilities)			
Belgium, participation in central bank facilities	209		
Board of Trade investment survey	5, 213, 313		
British Bankers' Association analysis of advances (<i>see</i> Bank advances)			
British Petroleum Company rights issue	10, 115-16		
Budget, May 1966	106-7		
Building, restraint on	214		
Building societies			
Governor's letter requesting continued restraint on credit	3		
Mortgage rates, increase recommended by the Association	116, 217		
Prices and Incomes Board, rates referred to	116, 217		
Canada			
Central bank facilities, participation in	209		
Debt repayment by U.K. deferred	6, 14		
Capital gains tax, effect on authorities' purchases of maturing gilt-edged stock	114		
Capital issues in the U.K. (article)	151		
Central bank facilities (<i>see also</i> Federal Reserve)	14, 105, 109, 110, 209, 218, 311, 319, 320		
China, gold purchases	15		
Commercial bills			
Bank of England purchases, proportion of inland finance bills reduced	215		
Discount market's rate above Bank rate	215		
Growth in use	8, 113, 219		
Limit on acceptances and banks' holdings of bills	3		
Rates increased for four and six months' bills	315		
Company acquisitions (article)	348		
Company securities (<i>see</i> Equities; Fixed interest company securities)			
Company taxation (<i>see</i> Corporation tax; Tax payments)			
Confederation of British Industry investment survey	213, 313		
Consumer spending	4, 104, 207, 212, 312, 322		
Corporation tax, rate set at 40%	106		
Debentures (<i>see</i> Fixed interest company securities)			
Debt service to North America, deferred	6, 14		
Defence expenditure (<i>see</i> Military expenditure)			
Discount market			
Bank of England advances	9, 214-15, 315		
"overnight" " " " "	214-15, 315		
Borrowed funds, average cost of	9, 113, 215, 315		
Governor's letter requesting restraint on credit	3		

A guide to the issue (March, June, September or December) in which the page reference is to be found is given at the beginning of this index.

Dividends			
Finance Act 1965, effect on timing of payments	116		
Standstill in payments called for	214		
Dollar portfolio of H.M. Treasury, transfer to reserves	14, 105, 106, 109		
Earnings			
Growth	4, 104		
Rise stopped	313		
Equities			
British Petroleum Company rights issue	10, 115-16		
Investment trusts' increased issues	116		
Euro-dollars (<i>see</i> Foreign currency deposits)			
Exchange control regulations	16-17, 107, 109-10, 214		
Exchange Equalisation Account			
Gold and convertible currency reserves	6, 105, 211, 319		
Sterling accruals to the Exchequer	110, 218		
Exchequer financing			
Exchequer and central government finance (article)	29		
5½% Exchequer Stock 1966, redemption	110, 113, 114, 115		
Gilt-edged, large official sales ...	315		
Sterling receipts from E.E.A.	110, 218		
Tax payments, effect of new pattern	218, 314-15		
Export finance, improvements in (article)	149		
Export-Import Bank, special line of credit to U.K. for payments for aircraft	109, 209, 212, 322		
Exports			
Record level in October	313, 322		
Seamen's strike, effect of	211-12, 321-2		
Federal Reserve			
Discount rate increased	8		
Market operations in sterling ...	320		
Swap arrangements	311, 319		
" " with U.K. ...	14, 105, 106, 109, 110, 209, 311, 319, 320		
Finance Act 1965, effect on dividends of company tax provisions	116		
Fixed interest company securities			
New issues, heavy flow	10, 216, 217, 317		
Yields exceptionally high	216-17, 317		
Foreign currency deposits	13-14, 107-8, 210-11, 320-1		
Foreign exchange market			
Authorities' forward commitments	13, 109, 208-9, 311, 319-20		
Banks' position in foreign exchange, reduction in	211, 321		
Central bank co-operation to minimise end-year movements of funds	13		
Forward rate supported	208-9, 319		
Overseas residents closing out forward contracts	13, 319		
Rhodesian declaration of independence, effect of	12-13		
France, Bank of France credit facility	209		
General election	108, 113		
Germany (<i>see</i> Western Germany)			
Gilt-edged			
5½% Exchequer Stock 1966, redemption	110, 113, 114, 115		
New issues	317		
Official purchases and sales	9-10, 114, 216, 311, 315, 316-17		
Official transactions in the market (article)	141		
Prices at new low levels	216		
Gold			
Coin, regulations on U.K. residents' holdings	109-10		
Demand heavy at time of I.M.F. meeting	320		
U.S.S.R., sales by	15		
Gold and convertible currency reserves (<i>see</i> Exchange Equalisation Account)			
Gold pool	15		
Government expenditure (<i>see</i> Public expenditure)			
Government stocks (<i>see</i> Gilt-edged)			
Governor of Bank of England (<i>see</i> Bank of England)			
Hire purchase finance houses, Governor's letter requesting continued restraint on credit	3		
Hire purchase restraint	3, 213, 219		
Imperial Chemical Industries debenture issues	10, 317-18		
Imports			
Seamen's strike, effect of	211-12, 312, 321		
Surcharge	107, 312, 322		

A guide to the issue (March, June, September or December) in which the page reference is to be found is given at the beginning of this index.

India, devaluation of rupee	208	Military expenditure, foreign exchange costs of British forces in Western Germany	107, 214
Industrial investment		National Bank, transfer of Irish business to National Bank of Ireland	110
Incentives to manufacturing and extractive industries	3-4, 104	National Board for Prices and Incomes, building society rates referred to	116, 217
Need for priority to be given to	323	National debt, distribution at March 1965 (article)	40
Private sector, expenditure by ...	4, 103-4, 213, 313	National development bonds new issue	106, 218
Industrial production	4, 103, 212, 312	National savings certificates new issue	110, 218
Industrial Reorganisation Corporation, proposed	4	Netherlands, participation in central bank facilities	209
Insurance companies, Governor's letter requesting continued restraint on credit	3	North American debt service (<i>see</i> Debt service to North America)	
Interest rates		Overseas holdings of sterling	
Abroad	207, 208, 210, 216, 311, 316	Central bank facilities linked to	209
Domestic, fall in	311	Fluctuations	6-7, 13, 105-6, 107, 209, 210, 211, 320-1
International Monetary Fund, quota increases	106, 109	Overseas investment by U.K. residents (<i>see</i> Investment overseas by U.K. residents)	
International swap arrangements (<i>see</i> Central bank facilities; Federal Reserve)		Overseas trade (<i>see</i> Balance of payments, U.K.; Exports; Imports)	
Investment dollars, rise in premium	14-15	Pension funds, Governor's letter requesting continued restraint on credit	3
Investment overseas by U.K. residents, restraint on	107	Personal saving and financial investment, 1951-65 (article)	246
Investment trusts' increased issues	116	Portfolio of dollar securities (<i>see</i> Dollar portfolio of H.M. Treasury)	
Italy, participation in central bank facilities	209	Post Office charges increased	213-14
Japan, participation in central bank facilities	209	Preference shares (<i>see</i> Fixed interest company securities)	
Local authorities		Prices and incomes (<i>see also</i> Earnings; Retail prices)	
and the capital and money markets (article)	337	Prices and Incomes Act brought into operation	313
Borrowing from P.W.L.B.	10, 114-15, 215, 315-16	Prices and Incomes Bill	214
'Break' clause in mortgages exercised	316	Standstill called for	214
Short-term bonds, relative attractiveness	11, 115	Prices and Incomes Board (<i>see</i> National Board for Prices and Incomes)	
Stock issues by tender	115	Prime Minister's announcement of corrective measures	208, 213, 219-20
London clearing banks			
Deposits and advances	7, 110-11, 218, 313-15		
Governor's letter requesting continued restraint on credit	3		
Seasonal adjustment of deposits and advances (article)	46		
Seasonal pattern of statistics distorted by new tax arrangements	111, 218, 314		
Special Deposits	207		

A guide to the issue (March, June, September or December) in which the page reference is to be found is given at the beginning of this index.

Public expenditure			
Capital spending, stricter control over	5		
July measures	214		
Overseas expenditure to be reduced	214		
Overseas expenditure to be reviewed	107		
Priorities, need for	323		
Public Works Loan Board	10, 114-15, 215, 315-16		
Purchase tax regulator (<i>see</i> Surcharge)			
Reserves (<i>see</i> Exchange Equalisation Account)			
Retail prices	4-5, 104, 213, 313		
Retail trade (<i>see</i> Consumer spending)			
Rhodesia			
Effect on financial and exchange markets	8, 9, 12-13, 15		
Exchange control and other measures taken	16-17		
Scottish banks, Special Deposits ...	207		
Seamen's strike			
Effect on balance of payments ...	211-12, 312, 321-2		
Pressure on sterling caused by ...	207-8, 210		
Seasonal adjustment			
B.B.A. analysis of advances (article)	257		
London clearing banks' deposits and advances (article)	46		
Sector financing 1965 (article)	128		
Security dollars (<i>see</i> Investment dollars)			
Selective employment tax			
Bank advances, no general arrangements to offset effect on ...	207, 219		
Introduced	106		
Special assistance (<i>see</i> Central Bank facilities; Federal Reserve)			
Special Deposits called	207, 208		
Sterling (<i>see</i> Foreign exchange market)			
Sterling holdings (<i>see</i> Overseas holdings of sterling)			
Stockbuilding	4, 104, 213, 313		
Superannuation funds (<i>see</i> Pension funds)			
Surcharge			
Imports	107, 312, 322		
Purchase tax, surtax and certain duties	213-14		
Swap transactions (<i>see</i> Central bank facilities; Federal Reserve)			
Sweden, participation in central bank facilities	209		
Switch dollars (<i>see</i> Investment dollars)			
Switzerland, participation in central bank facilities	209		
'Tap' stocks, changes in authorities' prices	9-10, 114, 317		
Tax payments			
Arrears in, effect on banks' figures	314, 315		
New pattern in 1966, effect on Exchequer finance	218, 314-15		
New pattern in 1966, effect on seasonal pattern of banks' figures	111, 218, 314		
Tax reserve certificates new issue ...	106, 218		
Travel allowance reduced	214		
Treasury bills			
Decline in amount offered at tenders	315		
Rate at exceptionally high level ...	315		
Yield differential between London and New York	13, 108, 210-11		
Unemployment	5, 104, 213, 311-12, 322		
United States (<i>see also</i> Export-Import Bank; Federal Reserve)			
Debt repayment by U.K. deferred	6, 14		
Higher reserve requirements against time deposits	318		
Monetary policy, likelihood of less reliance on	316, 319		
Short-term and banks' lending rates increased	9, 113, 208, 318		
Treasury bills, yield differential between London and New York	13, 108, 210-11		
U.S.S.R., gold sales	15		
Western Germany			
Central bank facilities, participation in	209		
Deposit made in anticipation of arms purchases from the U.K.	105, 211		
Foreign exchange costs of British forces	107, 214		
Monetary policy, likelihood of less reliance on	316		
Window dressing, central bank co-operation to lessen disturbance in foreign exchange market	13		

A guide to the issue (March, June, September or December) in which the page reference is to be found is given at the beginning of this index.

Statistical annex

The following subjects are covered by the tables, which are listed on the contents pages in each issue.

Accepting houses	External liabilities and claims of the United Kingdom in sterling: ⁽⁵⁾
Accepting houses and overseas banks in the United Kingdom	All liabilities and claims, by type ⁽⁶⁾
Balance of payments	Other than funds with local authorities and hire purchase finance companies, by:
Bank advances, analysis	Class of holder and main areas
Banking sector:	Groups of countries
Deposits and advances, analysis	Type of liability and claim, and class of holder
Main items	External liabilities and claims of U.K. banks in foreign currencies by area and country:
Bank of England	All currencies ⁽⁷⁾
Bank of England advances to the discount market	U.S. dollars
Banks, domestic:	Gold and convertible currency reserves
London clearing banks ⁽¹⁾	Gold price, London
Northern Ireland banks	Government debt, marketable ⁽²⁾
Scottish banks	Government debt, non-marketable:
Capital issues on the U.K. market: ⁽²⁾	National savings
Gross issues, by method of issue	Tax reserve certificates
Gross issues less redemptions	Investment trusts
Net issues by quoted U.K. public companies	Overseas banks in the United Kingdom:
Central government ⁽³⁾	American banks
Currency circulation	British overseas and Commonwealth banks
Discount market	Foreign banks and affiliates
Exchange rates and comparative interest rates ⁽³⁾	Other banks
Exchequer, and analysis of government domestic borrowing by source ⁽²⁾⁽⁴⁾	Security yields
	Short-term money rates ⁽⁸⁾
	Stock exchange transactions:
	London stock exchange
	Scottish stock exchange
	Unit trusts

⁽¹⁾ Revised series of seasonally adjusted figures of net deposits and advances were incorporated in March.

⁽²⁾ Revised series, introduced in March.

⁽³⁾ New table, introduced in March.

⁽⁴⁾ From September, separate figures were given of tax reserve certificates held by the banking sector.

⁽⁵⁾ Figures of net U.K. liabilities in overseas sterling area currencies were published from March in the additional notes to the table "U.K. external liabilities and claims in sterling".

⁽⁶⁾ This table, which includes overseas funds with local authorities and hire purchase finance companies, was introduced in September; previously the total of these funds, not divided between overseas sterling countries and non-sterling countries, had appeared in the additional notes.

⁽⁷⁾ The analysis by area and country for all currencies was not introduced until September.

⁽⁸⁾ The discount market's tender rate for Treasury bills was added in September.