

Summary of articles

**Bank of England Quarterly Bulletin
Volumes 1-10, 1960-70**

Summary of articles, 1960-70

This summary covers all the articles included in the first ten volumes of the *Bulletin*, spanning the period from December 1960 to December 1970. No separate annual summary will be issued for Volume 10, 1970; but annual summaries will be resumed from 1971 until the next compendium issue.

The articles are grouped under the following headings:

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Within these groups articles are generally listed in date order, according to when they appeared in the *Bulletin*; but those which bring an earlier article more up to date are listed immediately after the original article. An index at the end of the summary shows where particular subjects are to be found.

With the passage of time, some descriptive articles have already become out of date. Later developments are sometimes mentioned in the summary; but comprehensive revision in this way is not possible, and users of the summary should bear in mind the dates at which articles were published.

Off-prints of most articles are available on request from the Economic Intelligence Department, Bank of England, London, EC2R 8AH. Those which are not available are marked †.

September 1971

Bank of England notes

Bank note printing

September 1961, page 24

The Bank design and print their own notes. Some of the special problems which arise from the large scale of the work and from the need to outwit forgers are discussed.

Withdrawal of Bank notes from circulation†

September 1962, page 186

Some notes issued by the Bank remain unrepresented indefinitely. The article explains the circumstances in which these notes are written off the total of notes in circulation shown in the weekly Bank Return, and the accounting and other procedures this entails.

Mutilated notes

September 1963, page 199

The Bank are called upon to replace a large number of damaged notes. Some details of this work are given, including an explanation of what notes, or remains of notes, may hope to qualify for replacement.

The note circulation

March 1965, page 39

The historical background to the Bank's position as note-issuing authority; the denominations in issue at different periods; parliamentary control of the fiduciary issue; the mechanics of issue; and the monetary effects of changes in the number of notes in circulation. There are comments on the physical problem of servicing the note issue, regional differences in the distribution of notes, and the problem of forecasting future requirements.

Changes in demand for Bank notes†

September 1965, page 248

Gives a breakdown by denominations of the total of notes in circulation since November 1956 and shows the time taken to replace notes in the public's hands when new designs have been introduced.

The growth in demand for new Bank notes

March 1966, page 37

Describes the problems presented to the Bank and to the commercial banks by the rapid increase in demand for new notes, and suggests possible remedies. There is a table of the note circulation, and of notes issued since 1950.

The Bank of England note: a short history

June 1969, page 211

A brief account of notes issued by the Bank since its foundation in 1694. The design and production of notes are described and some are illustrated: an appendix shows when each denomination was first issued and when discontinued, and lists the signatories of notes printed since the practice of printing signatures was adopted in 1853.

Composition payments to bankers†

March 1970, page 50

A short note on the arrangements for annual payments to bankers under the Bank Charter Act 1844, as compensation for relinquishing the rights of note issue. The last of these payments lapsed with the coming into effect of the Barclays Bank Act 1969, in mid-December of that year, and the National Westminster Bank Act shortly afterwards.

The Bank of England as registrar

March 1963, page 22

Describes the role of the Bank as registrar of government and other securities, the work involved (remarkable chiefly for its scale) and recent technical developments.

† Not available as an off-print.

The Bank of England as registrar *continued*

September 1968, page 262

Describes changes since the earlier article. The Bank's work as registrar has been affected by the Stock Transfer Act 1963, and by the gradual transfer of the stock registers to magnetic tape for use with computers – a process which is here described in some detail. Consequent changes in the organisation of the Accountant's Department of the Bank are outlined.

Branches of the Bank of England

December 1963, page 279

Discusses the origin of the branches early in the nineteenth century and their work, an important part of which has always been to facilitate the circulation of Bank of England notes. A table lists the branches, with the dates of their opening (and closure, where applicable) and includes brief notes about each.

The functions and organisation of the Bank of England

September 1966, page 233

The first part of this article discusses the Bank's day-to-day work as bankers: their work as agent for the Government, for example in the administration of exchange control; their operations in the markets to implement monetary policy; and their advisory role in financial and other matters. The second part describes the Bank's internal organisation. This article has since been revised and updated as a separate pamphlet from time to time, most recently in December 1970.

Bank of England liabilities and assets: 1696 onwards

June 1967, page 159

Introduces a consistent series of annual figures of the Bank's liabilities and assets extending over 270 years. The article itself includes a table illustrating the series from 1696 to 1845; the full series of annual figures, including figures for the years after 1845, is available in a separate appendix, together with a historical series of bankers' balances at the Bank from 1819 onwards.

The U.K. exchange control: a short history

September 1967, page 245

The administration of U.K. exchange control has largely been delegated by the Treasury to the Bank. This article outlines the legal and administrative basis on which exchange control rests, and reviews developments in the control since its introduction some thirty years ago.

The overseas work of the Bank of England

December 1967, page 374

Traces the origin and development of the Overseas Department of the Bank, briefly reviews the growth of central bank co-operation in recent years, and describes the technical advice and assistance given overseas by the Bank.

The Exchange Equalisation Account: its origins and development

December 1968, page 377

Describes how the E.E.A. came into existence in 1932, why it took its present form and how it has developed. There is a discussion of the extent to which the mechanism of the E.E.A. moderates the impact of inflows or outflows of foreign exchange on the banks' capacity to lend.

The work of the Cashier's Department

September 1970, page 285

Describes how the department is organised to discharge its operational responsibilities, such as the provision of banking services to customers; day-to-day operations in the gilt-edged, money and foreign exchange markets; the management of the note issue; and the handling of stock issues for the Government and certain other customers. This article is not so much concerned to discuss these operational matters – many of which have been the subject of earlier *Bulletin* articles – as to describe the departmental organisation to which they give rise.

The Bank of England and earlier proposals for a decimal coinage

December 1970, page 454

Describes earlier proposals for decimalisation with which the Bank were concerned from the end of the seventeenth century onwards.

MONETARY POLICY

The procedure of Special Deposits

December 1960, page 18

Describes the machinery for calling Special Deposits; the form of announcement to the public and the banks; the calculation of amounts to be called from each bank – both initially and as subsequently adjusted each month; and how interest is calculated and paid.

The management of money day by day

March 1963, page 15

Describes the nature of the Bank's daily operations in the money market and how these are linked to the management of the Exchequer accounts. The article also explains how these operations influence short-term interest rates; how the size of the weekly Treasury bill tender is decided upon (see also the article "The Treasury bill", September 1964, described in the section on "Public sector finance" on the following page); how the clearing banks are enabled to maintain their 8% cash ratio; and how daily changes in e.g. the sterling assets of the Exchange Equalisation Account or the note circulation are taken into account. Some of the procedures described in the article have since been modified as a result of the wider use of computer accounting.

Official transactions in the gilt-edged market

June 1966, page 141

A discussion of the nature of the market for gilt-edged stocks, and of the purposes, tactics and limitations of official transactions in the market.

Control of bank lending: the Cash Deposits scheme†

June 1968, page 166

Describes new arrangements for official control of lending by banks other than the London and Scottish clearing banks in circumstances that do not call for the use of quantitative restrictions. The article explains why a system of Cash Deposits – which bears on the source of the banks' funds – was selected in preference to alternative methods of control, such as liquidity ratios.

Domestic credit expansion

September 1969, page 363

Outlines the concept of domestic credit expansion and three methods of measurement, and provides figures from 1952 for each of these methods. Charts which are included give a preliminary indication of a relationship between D.C.E. and changes in total expenditure, though the nature and significance of any such relationship still has to be established.

The operation of monetary policy since the Radcliffe Report

December 1969, page 448

The text of a paper prepared in the Bank, in consultation with H.M. Treasury, as one of a number of papers presented at a conference held at Hove in October 1969 on the subject "Radcliffe—ten years after". The paper outlines economic and financial developments during the last ten years and then discusses the operation of monetary policy during this period – and, in particular, various methods of controlling bank lending. In the context of interest rate policy, the paper stresses that a primary official objective has continued to be to maintain market conditions that will, over the long term, encourage investment in British government debt.

† Not available as an off-print.

The stock of money

September 1970, page 320

The stock of money can be defined in various ways according to the selection of bank deposits chosen. This article discusses different definitions, and introduces a new quarterly analysis which contains enough detail of deposits to permit their combination, with notes and coin in circulation, into a number of alternative measurements of the money stock.

Governors' speeches †

Extracts from speeches made by Governors of the Bank to:

The bankers and merchants of the City of London	in the December issue each year
at the Lord Mayor's annual dinner	
The Overseas Bankers Club	March 1966 & 1967, June 1968, March 1969 & 1970
The Institute of Bankers in Scotland	March 1961
The Confederation of British Industry	June 1966
The British Export Houses Association	June 1967
The Finance Houses Association	June 1968
The Institute of Bankers, Cambridge Centre	June 1968
The Trustee Savings Bank Association	September 1968
The Society of County Treasurers	December 1968
The Building Societies Association	June 1969
The International Industrial Conference (San Francisco)	December 1969

Credit restraint †

Notices issued by the Bank are reproduced in the following issues:

- June and December 1967
- June, September and December 1968
- March and June 1969
- June and September 1970

PUBLIC SECTOR FINANCE

Distribution of the national debt †

June 1962, March in subsequent years

An annual series which describes the size and composition of the national debt, its distribution between various types of holders, and the main changes in the previous financial year.

Tax reserve certificates

September 1962, page 176

Describes the origin of tax reserve certificates in 1941. The article analyses holdings, and why they fluctuate; describes the administration of the tax reserve certificate system; and includes a brief note about comparable instruments abroad. Statistical tables give the number and value of applications and surrenders of certificates since 1941; an analysis, from 1957, as between persons and other holders; and rates of interest on successive issues. †

December 1968, page 391

This sequel summarises the origins and general nature of T.R.C.s and their advantages for government financing, and discusses developments since the earlier article – particularly the introduction of company T.R.C.s in June 1966.

The Treasury bill

September 1964, page 186

Defines the Treasury bill and describes the methods of issue, including the weekly tender. Explains the role of the Treasury bill in the management of money day by day (see also the article with this title in March 1963 included in the section "Monetary policy") and the market in these bills.

† Not available as an off-print.

The U.K. and U.S. Treasury bill markets

December 1965, page 327

The markets in the two countries differ for historical and organisational reasons. The article discusses these differences, describes the role of the Treasury bill in financing the public sector in each country, and considers why Treasury bills are held more widely outside the banking system in the United States.

Exchequer and central government finance

March 1966, page 29

Explains changes made to the Exchequer tables in the statistical annex. The changes are intended to give a better indication of the impact of the country's overseas transactions on the Exchequer's domestic financing, and to link the Exchequer's cash accounts with the statistics of national income and expenditure.

Local authorities and the capital and money markets

December 1966, page 337

Describes the ways in which local authorities borrow to finance their capital expenditure, analyses their borrowing in recent years, and discusses the present balance between borrowing from the central government (through the Public Works Loan Board) and through the financial markets.

The effects of the National Loans Act 1968 on central government accounts

An article on this subject is included in a later section "Statistical procedures and methods" on page 542.

THE BRITISH BANKING SYSTEM

The overseas and foreign banks in London

September 1961, page 18

These banks are prominent in the foreign exchange market and in the finance of international trade. The article discusses the nature of their deposits, both in foreign currencies and in sterling, and the foreign currency and sterling assets in which they employ their funds. †

June 1968, page 156

This second article traces the rapid growth in the business of these banks during the period from 1962 to early 1968, and analyses their main liabilities and assets. The inter-bank sterling market, in which these banks and the accepting houses are the main operators, is briefly described.

Commercial bills †

December 1961, page 26

A brief account of the main types and features of commercial bills, of the market in these bills, and of the Bank's policy in this sphere.

Bank liquidity in the United Kingdom †

December 1962, page 248

The general concept of bank liquidity and the different considerations affecting different types of banks. The liquidity conventions then current are described (with particular reference to the London clearing banks), together with the part these play in the official control of credit.

Banking statistics †

December 1962, page 267

Introduces an improved series of quarterly statistics for the accepting houses and overseas banks, in continuation of those provided to the Radcliffe Committee.

† Not available as an off-print.

THE BRITISH BANKING SYSTEM *continued*

Banking statistics *continued*†

December 1963, page 285

This second article gives new quarterly statistics for the whole banking system, with a sector analysis of the banks' principal assets and liabilities. It includes a discussion of the concept of net deposits (needed to show the true liability of the banks as a whole to their non-bank customers) and explains a change in the definition of net deposits as applied to the London clearing banks. It also revises the seasonally adjusted figures of the London clearing banks' net deposits, and advances and other accounts, previously published in June and September 1963 (see page 542).

Seasonal adjustment of banking statistics

Articles on this subject are included in a later section "Statistical procedures and methods", on page 542.

Bank clearings as a measure of economic activity

March 1965, page 32

Describes an investigation into the statistical relationship between the level of economic activity, as measured in the national income accounts, and the value of cheques passing through the bank clearing system. Changes in the composition of the clearings have since reduced their value as a measure of activity.

New classification of bank advances

March 1967, page 48

Introduces a new quarterly classification of bank advances in place of the analysis formerly published by the British Bankers' Association. The new series is based on the Standard Industrial Classification and covers a considerable number of banks which did not contribute to the B.B.A. analysis.

The London discount market: some historical notes

June 1967, page 144

Outlines the history of the discount market from its origins in the early nineteenth century, and gives a more detailed account of its evolution since the war.

Finance for shipbuilding

June 1967, page 157

Describes the scheme, announced on 11th May 1967, under which the London and Scottish clearing banks are providing finance up to 8 years (exceptionally 10 years), at a fixed rate of interest, for purchases of ships by British shipowners from U.K. shipyards. Alterations in the terms of these arrangements as from 1st October 1970 are described on pages 395-6 of the December 1970 issue.

Finance for exports

Articles on this subject are included in a later section "Overseas trade and finance for exports", beginning on page 539.

The U.K. banking sector 1952-67

June 1969, page 176

Describes the different groups of institutions and developments in the sector during this period. 1952-57 was a time of comparatively slow growth; 1958-60 saw a sharp expansion of clearing bank advances, but the role of the accepting houses, overseas and other banks also began to increase; and, between 1961 and 1967, their business grew much more quickly than that of the deposit banks.

OTHER U.K. FINANCIAL INSTITUTIONS

Investment trusts and unit trusts†

September 1961, page 29

From 31st December 1960 the Bank have collected statistics of these institutions' assets (annually) and transactions (quarterly); these are introduced and linked with some earlier estimates published in the Radcliffe Report.

† Not available as an off-print.

Investment trusts and unit trusts: assets and transactions 1960-67

March 1969, page 62

Briefly describes the main characteristics of investment and unit trusts and their growth in recent years. Annual and quarterly figures for both kinds of trust are reproduced for the years 1960 to 1967.

Sources of funds of hire purchase finance companies 1958-62

December 1962, page 256

Describes the main sources of the finance houses' funds – from share issues, deposits, bank advances and bill finance – and reviews developments between 1958 and 1962.

Length of hire purchase contracts for vehicles

March 1964, page 22

Outlines the first results of an investigation carried out jointly by Hire Purchase Information Limited and the Bank.†

September 1965, page 241

A fuller report on the enquiry into the length of hire purchase contracts for cars and commercial vehicles first described in March 1964 (see above). This article examines the intended and actual lengths of contracts, the reasons why contracts may be terminated early, and the relationship between terminations and fresh contracts.

September 1967, page 268

Carries forward the enquiry into the length of hire purchase contracts for cars. The new analysis casts doubt on the idea that the completion of contracts at maturity has any independent influence on the new business of finance houses.

The financial institutions

June 1965, page 132

Examines the new statistics available in recent years for the financial institutions (namely, insurance companies, pension funds, building societies, investment trusts, hire purchase finance companies, special investment departments of trustee savings banks, unit trusts, and some special finance agencies). The first part of the article discusses the nature of each group's business and the sources and investment of their funds; the second part assesses the importance of the institutions to some of the markets in which they operate.

December 1970, page 419

The first of a short series (continued in the March and June 1971 issues) which brings earlier articles on these institutions up to date. The present series concentrates mainly on developments during the years 1964-69, and this first article deals with the insurance companies, pension funds and property unit trusts.

Property unit trusts for pension funds and charities

September 1969, page 294

The first property unit trust was formed in March 1966. This short note describes the nature of these trusts, and introduces a new series of quarterly statistics.

GOLD, COMMODITY AND SECURITY MARKETS

Sale of the prior charges of seven steel companies, March 1961†

June 1961, page 17

In March 1961 the Iron and Steel Holding and Realisation Agency made a simultaneous Offer for Sale of twelve securities of seven major steel companies – an unusually large and complicated commercial issuing operation. The article describes the mechanics of the issue, in which the Bank were heavily involved, and outlines some of the problems to which it gave rise.

Capital issues on the United Kingdom market

December 1961, page 35

Introduces a new series of Bank of England estimates of capital issues, available from 1954; and compares it with the former series (from 1927) published by the Bank and with that published by the Midland Bank. †

† Not available as an off-print.

June 1966, page 151

Brings together as long a run as possible of the Bank of England's estimates of capital issues. The article thus includes not only the new series introduced in 1961 but also earlier estimates back to 1927.

The London gold market

March 1964, page 16

Explains the constitution and operation of the market, including the daily fixing of the gold price. There are notes on the Bank of England's operations in the market (*e.g.* on behalf of the Exchange Equalisation Account, the South African Reserve Bank and other central bank customers); and on the gold pool arrangements for co-ordinating the gold operations in London of certain European central banks and of the Federal Reserve Bank of New York. The structure of the market has since been greatly changed, following the Washington Conference of central bank Governors in March 1968 (which was described in the June 1968 *Bulletin*, pages 108-9).

U.K. commodity markets

September 1964, page 194

Describes the post-war revival of these markets, initially through exchange control commodity schemes, and the Bank's part in these schemes; and outlines the broad principles of present day commodity marketing procedures, including trading in futures. There are notes on the current background and on some of the international commodity agreements.

June 1969, page 201

Summarises developments since the earlier article in September 1964. The difficulties facing some markets following the devaluation of sterling are described, together with the offer of loans by the Bank in certain circumstances, to help traders to meet their commitments. An appendix lists the main market associations.

U.K. security markets: the new transfer system and the reintroduction of bearer securities†

December 1964, page 270

Gives the background to the Stock Transfer Act 1963, which allowed the introduction of a simpler form of transfer, and discusses the first year's working of the new system. The article describes wartime restrictions on bearer issues and the considerations which had to be taken into account before these restrictions were eased in 1963: it ends with a description of the progress made by the Bank in reintroducing bearer facilities for government stocks. Information on this last point is also given in subsequent issues of the Bank's *Annual Report*.

Company acquisitions

December 1966, page 348

Introduces a new statistical series of cash expenditure in the United Kingdom by U.K. industrial and commercial companies on the purchase of subsidiaries, of outstanding minority interests in existing subsidiaries, and of trade investments. Quarterly figures are given from the beginning of 1965.

Yield curves and representative yields on British government securities

An article on this subject is included in a later section "Statistical procedures and methods" on page 542.

Turnover in British government stocks

March 1968, page 48

A short note introducing a new analysis of turnover in gilt-edged stocks by main type of holder. The tables published with the note cover the eighteen months from April 1966 to September 1967. Figures for more recent periods may be found in the statistical annex to the *Bulletin*.

Take-overs and mergers†

September 1968, page 286

Reproduces the text of the Governor's letter to the Chairman of the Issuing Houses Association, 15th August 1968.

† Not available as an off-print.

FLOW OF FUNDS

Articles in December 1960 and June 1961 and 1962 analyse the financial situation of the private sector since 1952, and the flow of funds between it and three other sectors – public, banks and overseas. Later articles in September 1963 and June 1964, 1965 and 1966, give more detailed estimates; in particular the private sector is subdivided into persons (including unincorporated businesses), industrial and commercial companies, and financial institutions other than banks. Meanwhile, a quarterly analysis of financial statistics has appeared in each issue since March 1965, giving quarterly sector accounts on similar lines to those in the annual articles; and, from June 1967 onwards, the annual estimates have been combined with the regular quarterly analysis.

Personal saving and financial investment: 1951-65

September 1966, page 246

Traces the main patterns in the personal sector's finances over fifteen years; the growth of personal saving and the margin by which it has exceeded the personal sector's capital expenditure; the extent and purpose of personal sector borrowing; and the factors influencing the acquisition of financial assets.

Company finance: 1952-65

March 1967, page 29

Examines changes in the main sources of industrial and commercial companies' funds, and the uses to which funds have been put, over the fourteen years 1952-65. There is a fairly clear and consistent pattern in the cyclical movement of companies' income and expenditure, which is more marked in the second half of the fourteen-year period under review than in the first. On the same comparison, companies' gross trading profits and other current income were lower in relation to their total expenditure, but they took up fewer financial assets and increased their borrowing.

Sector financing accounts: 1952-66

December 1967, page 360

Presents a series of six-sector accounts for each of the years 1952-66, consistent with the annual sector financing tables published since September 1963.

THE BALANCE OF PAYMENTS

Invisibles in the balance of payments †

December 1961, page 17

Describes what the so-called invisible items are and compares the experience of the United Kingdom and some other countries in this field between 1955 and 1960.

Unrecorded movements in the U.K. balance of payments: the "balancing item" †

March 1962, page 16

Explains the reason for the balancing item in the balance of payments, with reference to the methods and sources used for estimating the visible and invisible account, long-term capital, and monetary movements; and gives possible reasons for its fluctuations. See also "Leads and lags in overseas trade" in the March 1961 issue (which is described in the section on "Overseas trade and finance for exports" later in this summary).

Inflows and outflows of foreign funds †

June 1962, page 93

Discusses the form in which private capital may move to and from the United Kingdom and examines some of the effects of these movements on banks and others in this country. The article includes an explanation of the effect of the operations of the Exchange Equalisation Account on government financing, and a note on experience in 1960 and 1961. (For further discussion of the mechanism of the E.E.A., see also "The Exchange Equalisation Account: its origins and development" in the December 1968 issue, listed above in the section on the Bank of England.)

† Not available as an off-print.

THE BALANCE OF PAYMENTS

continued

The balance of payments: methods of presentation

December 1964, page 276

Discusses the meaning of balance of payments accounts and the problem of presenting them in a useful way. The article also recasts the U.K. official figures for 1957-63 in two different ways – by the method developed by the International Monetary Fund, which divides the components of the balance of payments into 'autonomous' or 'market' transactions and 'compensatory official financing', and by sectors (*i.e.* as between government and private transactions).

Monetary movements in the U.K. balance of payments

March 1968, page 34

Explains what is meant by the 'balance of monetary movements', discusses the sources and accuracy of the figures making up the items in the monetary account, and examines the relationships between movements in the gold and convertible currency reserves, other monetary items and items elsewhere in the balance of payments accounts.

The overseas earnings of U.K. financial institutions

December 1968, page 402

The article explains the difficulties of estimating the overseas earnings of the 'City of London', and considers an alternative approach which covers the national total of activities traditionally associated with the City; it reviews the direct overseas earnings of the banking and insurance industries, of U.K. merchants and of 'other financial and allied institutions'.

The statistical treatment of aid

An article on this subject is included in a later section "Statistical procedures and methods" on page 542.

OVERSEAS ASSETS AND LIABILITIES

U.K. overseas portfolio investments†

Estimates relating to the United Kingdom's overseas investments from 1958 to 1963 appeared in the June issues of the *Bulletin* from 1961 to 1964. A note in the June 1965 issue (page 156) explained that publication had been discontinued because more comprehensive estimates of portfolio capital movements, as well as income, had become available in the official U.K. balance of payments accounts, and indicated where earlier information on the Bank's series might be found.

An inventory of U.K. external assets and liabilities

Estimates of the United Kingdom's external assets and liabilities from the end of 1962 onwards, and changes over these years, have been discussed in the issues for March 1964, December 1965, September 1967 and 1968, December 1969 and September 1970.

Sterling balances

New series of external liabilities and claims in sterling

June 1963, page 98

Describes a new series of figures available from December 1962 and compares these figures with the former series, which dated back to the report of the Macmillan Committee in 1931.

Overseas sterling holdings

December 1963, page 264

Describes the growth of overseas holdings of sterling since 1931, and examines their distribution and character, the motives of different kinds of holders, and the reasons why their holdings alter.

† Not available as an off-print.

OVERSEAS ASSETS AND LIABILITIES
continued

Sterling balances *continued*

A revised presentation of external liabilities and claims in sterling

December 1970, page 432

Introduces an alternative classification of the sterling balances, which concentrates mainly on banking and money market liabilities and claims in the form of advances and overdrafts. The object is to avoid arbitrary classifications, either as between long and short-term holdings or according to the liquidity of the various liabilities and assets.

Foreign currency balances

U.K. banks' external liabilities and claims in foreign currencies

June 1964, page 100

Describes the development of the euro-dollar market since the end of 1957 and the part played in it by London banks. The article explains the sources and uses of these funds, and introduces the current series of quarterly statistics of U.K. banks' external liabilities and claims in foreign currencies (starting from December 1962).

The euro-currency business of banks in London

March 1970, page 31

Brings up to date the earlier article referred to above, and traces the impressive growth of this business in the intervening years. The article describes the sources of additional funds, the outlets for them – including the growing impact on the market in recent years of domestic credit conditions in the United States – and the changing participation of the various groups of banks in the United Kingdom. It includes hitherto unpublished material on the foreign currency deposits of, and lending to, the banks' U.K. customers, and on the maturity pattern of their liabilities and claims.

The euro-currency business of banks in London: maturity analysis as at end-July 1970

December 1970, page 448

Reports on the maturity pattern of the banks' foreign currency liabilities and claims in July 1970 as compared with twelve months earlier. The market became less liquid during this period: banks in America were repaying earlier short-term borrowing from their branches abroad; and the funds released, together with new deposits taken, were lent to companies in the United Kingdom and abroad – usually at longer term than the funds had earlier been lent to U.S. banks.

**OVERSEAS TRADE AND FINANCE
FOR EXPORTS**

Leads and lags in overseas trade †

March 1961, page 18

'Leads and lags' in the timing of international payments are defined, and distinguished from other short-term movements which may affect the reserves. The article discusses the reasons for leads and lags and their effect on the reserves; normal methods of payment in the commodity markets and elsewhere and the scope that exists for varying them; and the limitations imposed by U.K. exchange control.

Medium and long-term credit granted by U.K. exporters to countries outside the sterling area †

March 1963, page 32

Estimates, based on exchange control sources, of credit granted by about 400 of the larger exporting firms on exports to countries outside the sterling area. Totals are charted from 1952-61; the figures for 1961 are analysed by importing area, and figures are also given for 1962, analysed by term. Currently, more comprehensive estimates of total export (and import) credit are included in the Central Statistical Office's quarterly article on the United Kingdom balance of payments, and are described in detail in their annual publication on the balance of payments (see, for example, Annex 3 to *United Kingdom Balance of Payments 1971*).

† Not available as an off-print.

Refinancing of medium-term export credits †

March 1961, page 15

Describes the scheme announced in February 1961 under which, to encourage the banks to make more medium-term credit available for U.K. exports, the Bank of England offered refinancing of part of their export credits. The article explains which kinds of contract are eligible, the nature of the guarantee required from the Export Credits Guarantee Department, and the terms on which refinancing is made available. (Further articles on this subject are listed below.)

Finance for exports †

June 1961, page 21

Discusses the general problem of providing credit for exports, the improved facilities made available by the E.C.G.D. in October 1960, and the difficulties which could arise if the banks were to provide more medium-term credit. The solution to the last problem finally adopted was the Bank's scheme for refinancing medium-term export credit, described in the article in March 1961.

March 1962, page 23

This further note describes the arrangements introduced the previous January for some banks and insurance companies to provide medium and longer-term finance for the export of heavy capital equipment at a fixed rate of interest.

Help for exports †

March 1965, page 30

Describes further measures to help exports announced by the Board of Trade and the Bank on 27th January 1965. These included the formation of a Commonwealth Exports Council; various steps to be taken by the existing British National Export Council and government departments; wider availability of E.C.G.D. bank guarantees; and changes in the availability of export finance at a fixed rate of interest and in the Bank of England's refinancing scheme.

Improvements in export finance

June 1966, page 149

Describes the scheme, announced in March 1966, to make short-term export finance available at Bank rate; and outlines the improvements which had been introduced since March 1965 in arrangements for longer-term export finance.

December 1967, page 379

This later note under the same title describes the E.C.G.D. scheme, announced in July 1967, for extending unconditional bank guarantees to the finance of short-term export transactions on 'open account'.

New refinance facilities for export and shipbuilding credits

September 1969, page 292

Describes new arrangements agreed with the London and Scottish clearing banks in May 1969, which amalgamate the refinancing schemes for medium and long-term export and shipbuilding credits and provide for refinancing from the Bank of England when fixed rate lending absorbs more than a defined share of total resources. These arrangements were extended as from 1st October 1970, as described on pages 395-6 of the December 1970 issue. (An article on the provision of finance for shipbuilding is listed in the section on the British banking system earlier in this summary.)

Finance for exports

December 1969, page 424

Traces the development of the special schemes for the provision of finance for export credit, treating separately E.C.G.D. guarantees to banks; the provision of bank finance at favourable rates against such guarantees; and the refinance facilities available at the Bank of England. A closing section traces the growth of international competition in credit terms, and the co-operative efforts by supplying countries to keep competition within reasonable bounds. The charges for fixed rate finance were increased as from 1st October 1970, as described on pages 395-6 of the December 1970 issue.

† Not available as an off-print.

International Monetary Fund†

March 1961, page 17

In February 1961 the United Kingdom – along with a number of other countries – notified the I.M.F. that it accepted the obligations of Article VIII of the I.M.F. Agreement. A brief note explains these obligations and gives a little of the historical background.

The International Monetary Fund: use and supply of resources

March 1969, page 37

Since the Fund was established, there have been significant developments affecting both the conditions governing a member's access to drawing facilities and the means available to the Fund to finance such drawings. This article describes these developments, including the difficulties leading to the 'Rooth Plan' in February 1952; the introduction of stand-by facilities; the provisions for drawings to meet capital outflows; and the scheme to enable primary producing countries to finance temporary fluctuations in export receipts. The Fund's liquidity has been assisted by quota increases and by the introduction of the General Arrangements to Borrow.

Currency and banking developments in certain Commonwealth countries during the past ten years†

March 1962, page 25

Describes the origin and nature of a number of colonial currency boards and their subsequent development, either through the enlargement of their powers and duties or through the creation or elaboration of central banking institutions. A number of these new central banks are described, and there are brief notes on their powers and relations with commercial banks.

International investment: the role of security markets

June 1963, page 106

Examines the main features of public capital markets in the United Kingdom and continental Europe, using the U.S. market as a point of reference. Special attention is paid to the scope of these markets for foreign security issues and to the comparative costs of foreign security issues and dealings.

The place of Special Drawing Rights in the international monetary system

by L. P. Thompson-McCausland

June 1968, page 146

Mr. Thompson-McCausland, who was an Adviser to the Governors of the Bank until his retirement in 1965, gives his personal assessment of the scheme for Special Drawing Rights within the framework of the International Monetary Fund.

The international capital markets of Europe

September 1970, page 295

Traces the very rapid development of the euro-bond market since 1963, and describes the characteristics of individual centres for new issues and the ways in which the market has adapted itself to recent changes in conditions.

The importance of money

June 1970, page 159

This research paper, prepared in the Bank's Economic Section, reviews the conflicting arguments of the 'Keynesian' and 'monetarist' schools, notes that the statistical work which has been done on the subject has drawn both sides rather closer together, and emphasises the importance to be attached to real interest rates (allowing for the expected effects of inflation) as opposed to nominal rates – though real rates cannot be observed. The paper suggests that attempts to trace a direct link between changes in the money stock and in money incomes probably exaggerate the role of monetary policy. The main paper is supported by two appendices: the first summarises the results of work done in this field, both in the United States and in the United Kingdom; and the second sets out the preliminary results of some statistical work in the Bank's Economic Section on the demand for money.

† Not available as an off-print.

STATISTICAL PROCEDURES AND METHODS

Timing relationships between movements of monetary and national income variables

December 1970, page 459

Traces the relationship between changes in the money stock, defined in various ways, and in G.D.P. and (separately) the main components thereof.

Seasonal adjustment of banking statistics: London clearing banks†

June 1963, page 95

Gives seasonally adjusted figures of the London clearing banks' net deposits and advances and other accounts from January 1959 to March 1963. The figures were subsequently brought up to date (see the following article), and were then extensively revised (see the December 1963 article on "Banking statistics" referred to on page 534).

Seasonal adjustment of banking statistics: British Bankers' Association quarterly analysis of advances†

September 1963, page 196

This note introduces seasonally adjusted figures, from February 1958, of the quarterly changes in the B.B.A.'s analysis of advances. It also brings up to date the seasonally adjusted figures for the London clearing banks' net deposits and advances and other accounts first introduced in June 1963.

Seasonal adjustment of the London clearing banks' deposits and advances

March 1966, page 46

Outlines a new method of seasonal adjustment, taking account of such factors as the varying date in the month on which the banks make up their balance sheets and the differing length of banking months. Figures are tabulated back to 1962.

Seasonal adjustment of the British Bankers' Association analysis of advances

September 1966, page 257

Introduces a new method of seasonally adjusting the B.B.A. quarterly analysis of advances, with tables giving figures back to February 1957.

The statistical treatment of aid†

March 1965, page 15

Explains the effect of central bank assistance of various kinds and of I.M.F. drawings upon the relevant statistical tables in the *Bulletin*, i.e. those dealing with Exchequer financing, with U.K. liabilities in sterling and foreign currencies, and with the balance of payments.

Yield curves and representative yields on British government securities

March 1967, page 52

Introduces a new series of calculated yields for fixed maturities of 5, 10 and 20 years. These are derived from yield-maturity curves fitted by computer, using a method developed in the Bank.

The effects of the National Loans Act 1968 on central government accounts

September 1968, page 280

Introduces certain changes in the table relating to central government financing in the *Bulletin* statistical annex. These changes stemmed from the re-arrangement of the government accounting system from 1st April 1968.

† Not available as an off-print.

STATISTICAL PROCEDURES AND METHODS
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The following articles which introduce statistical series on various subjects or present regular analyses of statistics are included under other sections of this Summary according to subject (the list does not include the research papers described in the immediately preceding section):

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