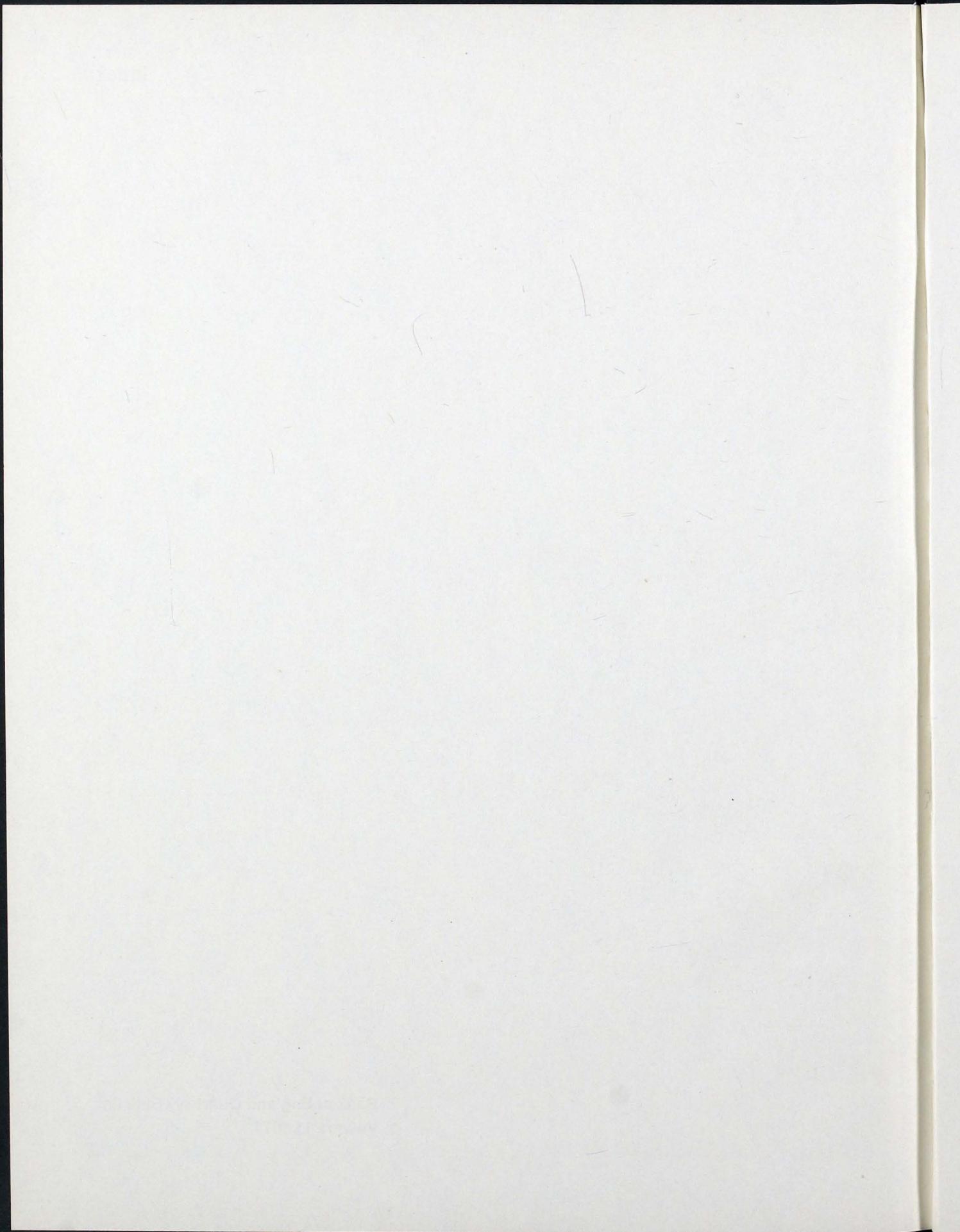


**Index**

**Bank of England Quarterly Bulletin**  
**Volume 11 1971**



## Index

This index mainly covers the regular material in each issue of the *Bulletin* – the Commentary, analysis of financial statistics, and the statistical annex – though it also includes references to statistics in the articles. Summaries of the articles themselves are given separately.

### Commentary

The four Commentaries in Volume 11 broadly cover the following periods:

November 1970–January 1971	pages 3–18
February–April	147–66
May–July	295–313
August–October	435–54

*References in bold type are to the principal topics included in the Commentary.*

Accepting houses, overseas banks and other banks:	13, 159-60, 308, 445-6
Competition and credit control (see <b>Banks and discount houses</b> )	
Restricted lending	13, 160
Under the new arrangements for control of credit	447
Austria, schilling revalued (9.5.71)	156
<b>Balance of payments:</b>	<b>7-8, 153-5, 300-2, 438-9</b>
Current surplus, continuing strength	7, 438
Direct investment, government insurance scheme <sup>1</sup>	154
Dock strike	7
Foreign currency borrowing for domestic use:	
Banks' borrowing affected by exchange control restrictions	439
Exchange cover for public authorities limited to borrowing with average life of 10 years or more	301-2
Restricted to medium and long-term	8
Trade figures distorted by postal strike	7, 154
Bank of England:	
Bank rate:	
Reduced to 6% (1.4.71)	152
Reduced to 5% (2.9.71)	436
Competition and credit control, issue of consultative document	151
(see also <b>Banks and discount houses</b> )	
Credit restrictions	151, 307
Discount houses, new discretionary borrowing arrangements from Bank	449-50
Special Deposits called	12-13
Bank rate:	
Reduced to 6% (1.4.71)	152
Reduced to 5% (2.9.71)	436
<b>Banks and discount houses:</b>	<b>12-14, 159-60, 306-8, 444-6</b>
Competition and credit control, Chancellor's Budget statement	151
(see also consultative document <i>Competition and credit control</i> , pages 189-98; <i>Competition and credit control: the discount market</i> , pages 314-15; <i>Reserve ratios and Special Deposits</i> , supplement to September issue; and <i>Reserve ratios: further definitions</i> , pages 482-9)	
Credit restrictions and restricted lending	12, 151, 159, 307, 445
Shipbuilding finance	307-8, 445
Special Deposits called	12-13

<b>Banks under the new arrangements for control of credit</b>	<b>446-8</b>
Belgium, bank rate reduced to 5½% (23.9.71)	438
<b>Bill markets:</b>	<b>14-16, 161-2, 309, 448-50</b>
Authorities' planned shortage of funds	14
Credit control, new arrangements:	
Discount houses cease to tender for Treasury bills at an agreed price	449
Effect on market rates	449
Fine bank bills, discount market abandons weekly agreement on a minimum rate	309, 449
Funding issues, the effect of	448
New discretionary borrowing arrangements from Bank	449-50
Discount houses borrow at Bank rate	15
Official purchases of Treasury, corporation and commercial bills on unprecedented scale	162
<b>Budget (1971):</b>	<b>149-51</b>
Balance of payments and overseas investment	150
Child allowances to be increased	150
Economic forecast	149-50
<b>Monetary policy</b>	<b>151</b>
National insurance benefits to be increased	150
National savings, improvement in terms	150
Tax changes and major reforms	150
<b>July measures:</b>	<b>299-300</b>
Consumer credit, restrictions lifted	299
Depreciation allowance raised	299
Free depreciation to be extended to service industries in development areas for fixed plant and machinery	299
Nationalised industries to co-operate with C.B.I. in observing voluntary price restraint	299-300
Purchase tax reduced	299
<b>Building societies:</b>	<b>16-17, 164, 311, 451-2</b>
Advances accelerate	311
Mortgage rate and rates paid on deposits reduced for first time since 1969	452
Canada, bank rate reduced to 4½% (25.10.71)	438
Central bank facilities (see <b>Reserves and special facilities</b> )	
<b>Central government financing:</b>	<b>10-11, 156-7, 304-5, 442-3</b>
<b>Budget</b>	<b>149-50</b>
<b>July measures</b>	<b>299-300</b>
National savings, increase in amounts subscribed	304, 442
New Approach, effects of implementation	442
Postal strike, delays in tax payments affect surplus	156-7
(See also the article <i>Distribution of the national debt: March 1970</i> , page 72)	
Chancellor's statement on monetary policy	151
<b>Company securities</b>	<b>17, 164-5, 311-12, 452-3</b>
Credit restrictions:	
Competition and credit control (see <b>Banks and discount houses</b> )	
Interim guidance:	
Quarter to June 1971	151
Quarter to September 1971	307
Special Deposits called	12-13
(See also <b>Banks and discount houses</b> ; <b>Finance houses</b> ; and <i>notices issued 30th March and 30th June 1971, on Bank and finance house lending</i> , pages 194 and 316)	
<b>Conclusion</b>	<b>17-18, 165-6, 312-13, 453-4</b>

<sup>1</sup> Cmnd. 4656.

Confederation of British Industry:		Restrictions lifted	299, 310-11
Industrial investment survey	298, 441	Credit control, new arrangements:	451
Initiative on price restraint	299-300	Some houses applying to D.T.I. for recognition as banks	451
Consumer credit (see <b>Finance houses</b> )			
Debentures (see <b>Company securities</b> )		Fixed interest company securities (see <b>Company securities</b> )	
Department of Trade and Industry, investment intentions survey	4, 297-8, 441	<b>Foreign exchange and gold markets:</b>	<b>9, 155-6, 302-4, 435-7</b>
Discount market (see also <b>Bill markets</b> ):	13-14, 160, 308, 446, 447	Bundesbank suspend their quotation for dollars (5.5.71) and resume (3.6.71)	156, 303
Competition and credit control (see <b>Banks and discount houses</b> )		Deutschemerk and Dutch guilder allowed to float (9.5.71)	156
Credit control, impact of funding operation	446	Gold, London market closed on 16th August	304
Fine bank bills, weekly agreement of a minimum rate abandoned	309	Investment currency market affected by relaxation of terms by which U.K. residents can borrow for portfolio investment abroad	9-10
Under the new arrangements for control of credit	447	London and some continental foreign exchange markets closed during week to 20th August	295
<b>Domestic credit and money stock:</b>	<b>14, 160-1, 308-9, 448</b>	Sterling, rate moves towards its upper limit	9
Chancellor's Budget statement	151	Swiss franc and Austrian schilling revalued (9.5.71)	156
<b>Domestic economy:</b>	<b>3-6, 147-9, 296-9, 440-2</b>	U.S. measures (15th August) and their effects	295-6, 435
Budget forecast	149-50	France, bank rate reduced to 6½% (28.10.71)	438
C.B.I. price initiative	299-300	<b>Gilt-edged market:</b>	<b>11-12, 157-8, 305-6, 443-4</b>
Consumer spending, growth in	440	Bank of England decision to restrict their market operations	151
Monetary policy, Chancellor's Budget statement	151	(See also "Competition and credit control" under <b>Banks and discount houses</b> )	
Special development areas, measures to attract new industry and alleviate unemployment	5	Credit control, London clearing banks agree to subscribe to three new issues	443
Equities (see <b>Company securities</b> )		Exchange control, measures restricting non-resident purchases	296, 435-6, 443, 444
Euro-dollars:		New issues	11-12, 158, 306, 443, 444
Export-Import Bank, issues of three months' notes	6, 152	Redemptions	11, 158, 306, 443
F.R.B. measures to moderate the pace of repayments of euro-dollar borrowings by U.S. banks	6	Gold market (see <b>Foreign exchange and gold markets</b> )	
Italian State Electricity Authority repay \$300,000,000 loan	437	Imports (see <b>Balance of payments</b> )	
U.S. Treasury certificates of indebtedness	152, 437	Industrial disputes, working days lost	5
(See also <b>Foreign exchange and gold markets</b> )		<b>Interest rates, short-term:</b>	<b>6-7, 151-3, 304, 437-8</b>
European Economic Communities, Britain's entry	296	Central bank discount rates lowered	6, 438
Exchange control:		<b>International exchange developments:</b>	<b>435-7</b>
Foreign currency borrowing:		Currency realignment against the dollar, intermittent speculation of, causes demand for sterling	436
Domestic use restricted to medium and long-term	8	U.K. measures to check the inflow of funds:	
Portfolio investment abroad, facility for U.K. residents extended	9	27th August	435-6
Speculative inflows from abroad, measures to discourage:		7th October	436
27th August	296, 435-6	U.S. measures to protect the dollar	435
7th October	436	International Monetary Fund:	
Exchange rates (see <b>Foreign exchange and gold markets</b> )		Special Drawing Rights, second allocation	155
Exchequer finance (see <b>Central government finance</b> )		U.K. discharge 1968 drawing	302
Export credit, finance for	307-8, 445	Investment intentions of industry:	
Export Credits Guarantee Department to administer government insurance scheme on overseas direct investment	154	Confederation of British Industry survey	298, 441
Exports (see <b>Balance of payments</b> )		Department of Trade and Industry survey	4, 297-8, 441
Federal Reserve:		Invisibles account (see <b>Balance of payments</b> )	
Discount rates lowered	6, 151-2, 438	Italy, bank rate reduced to 4½% (14.10.71)	438
Euro-dollar borrowings by U.S. banks, measures to moderate pace of repayments	6	Japan, yen allowed to float	296
(See also <b>Reserves and special facilities</b> )		<b>Local authorities:</b>	<b>16, 162-3, 309-10, 450</b>
Finance Bill (1971) (see <b>Budget</b> )		G.L.C. stock issue	16
<b>Finance houses:</b>	<b>16, 163-4, 310-11, 451</b>	Housing loans, ceiling to be abolished	163
Competition and credit control (see <b>Banks and discount houses</b> )		P.W.L.B. restrict proportion of quota that may be drawn in December	450
Consumer credit:			
Crowther Committee's recommendations	164		
Personal loans, some F.H.A. members relax terms	310		

London clearing banks:	12-13, 159, 307-8, 444-5	Shipbuilding, finance for	307-8, 445
Competition and credit control:		Short-term interest rates (see <b>Interest rates, short-term</b> )	
Funding operation	443, 445	Special Drawing Rights, second allocation	155
Special Deposits repaid	445	Swap arrangements (see <b>Reserves and special facilities</b> )	
Under the new arrangements for control of credit	446-7	Sweden, bank rate reduced to 5½% (10.9.71)	438
(see also <b>Banks and discount houses</b> )		Switzerland, franc revalued (9.5.71)	156
Credit restrictions and restricted lending	12, 151, 159, 307, 445	Treasury bills (see <b>Banks and discount houses; Bill markets</b> )	
Shipbuilding and export credit finance	307-8, 445	Unemployment	5, 149, 298, 441
Special Deposits called	12-13	Unit trusts	17, 165, 312, 453
<b>Monetary policy, Chancellor's Budget statement</b>	<b>151</b>	United States:	
Money stock and domestic credit (see <b>Domestic credit and money stock</b> )		Commercial banks' prime lending rates	6, 152
National savings (see <b>Central government financing</b> )		Dollar crisis, measures announced by President	295, 435
Netherlands:		Export-Import Bank, three months' notes:	
Bank rate reduced to 5% (15.9.71)	438	Issues of	6, 152
Guilder allowed to float (9.5.71)	156	Treasury borrow from overseas branches of U.S. banks to replace maturing notes	303
Official reserves (see <b>Reserves and special facilities</b> )		Federal Reserve:	
Overseas trade (see <b>Balance of payments</b> )		Discount rates lowered	6, 151-2, 438
<b>Reserves and special facilities:</b>	<b>8-9, 155, 302, 439-40</b>	Measures to moderate the pace of repayments of euro-dollar borrowings by U.S. banks	6
I.M.F., 1968 drawing discharged	302	F.R.B.N.Y. asked to activate reciprocal swap facility with U.K.	440
F.R.B.N.Y. activate reciprocal swap facility	440	Gold, bill to give President discretionary powers to raise price	436
Special Drawing Rights, second allocation	155	U.S. Treasury 3 months' certificates of indebtedness	152
Rolls-Royce, receiver appointed	5-6	Western Germany:	
Savings (see <b>Central government finance</b> )		Bank rate reduced	152, 438
Scottish clearing banks:		Bundesbank suspend their quotation for dollars (5.5.71) and resume (3.6.71)	156, 303
Competition and credit control (see <b>Banks and discount houses</b> )		Deutschemerk allowed to float (9.5.71)	156
Credit control under the new arrangements	447		
Credit restrictions	151, 307		
Shipbuilding and export credit finance	307-8, 445		
Special Deposits repaid	445		

## Analysis of financial statistics

The quarterly analysis of financial statistics assesses the financial transactions of the main sectors of the economy – public sector, personal sector, industrial and commercial companies, banking sector, other financial institutions and overseas. Each analysis is centred on a particular quarter:

3rd quarter 1970	19-36
4th quarter 1970	167-88
1st quarter 1971	317-37
2nd quarter 1971	455-76

but it also ranges into earlier quarters and where figures are available into the following quarter – in the latter case principally in connection with banking

sector figures, including money supply and domestic credit.

The quarterly sector tables in the text employ seasonally adjusted figures. At the end of each analysis is a detailed matrix built up from unadjusted figures; and from the September 1971 issue this is complemented by a complete matrix of seasonally adjusted flows. A special table covering domestic credit and the money supply gives both adjusted and unadjusted figures. Notes on sources and definitions appear in each issue, together with an explanatory note on the seasonal adjustments.

## Statistics

### Statistical annex and additional notes

Accepting houses, overseas banks and other banks in the U.K.:	
Accepting houses	101, 249, 389, 527
American banks	102, 250, 390, 528
British overseas and Commonwealth banks	104, 252, 392, 530
Foreign banks and affiliates	103, 251, 391, 529
Other overseas banks	105, 253, 393, 531
Other banks	106, 254, 394, 532
	107, 255, 395, 533

Acquisitions and mergers by financial companies within the U.K. <sup>1</sup>	542
Balance of payments	119, 267, 407, 546
Bank advances, analysis	108, 256, 396, 534
Bank of England:	
Bank Return	92, 240, 380, 518
Intervention in the money market	92, 240, 380, 518

<sup>1</sup> An article introducing the series appears on pages 349-53.

Banking sector:	94, 242, 382, 520	External liabilities and claims in sterling:	
Advances, analysis	97, 245, 385, 523	External advances and overdrafts in sterling	128, 276, 416, 556
Current and deposit accounts, analysis	96, 244, 384, 522	External banking and money market liabilities in sterling:	
Banks, deposit:		Class of holder	127, 275, 415, 555
London clearing banks	98, 246, 386, 524	Geographical details by class of holder	128, 276, 416, 556
Northern Ireland banks	100, 248, 388, 526	Type of liability	126, 274, 414, 554
Scottish clearing banks	99, 247, 387, 525	External liabilities in sterling to overseas sterling countries (old series)	124, 272, 412, 552
Capital issues on the U.K. market:		Non-interest-bearing notes held by international organisations	143, 291, 431, 572
Convertible loan issues	141, 289, 429, 570	Official short and medium-term borrowing	130, 278, 418, 558
Gross issues (including international issues)	114, 262, 402, 540	Sterling certificates of deposit	143, 291, 431, 572
International issues, subscriptions arranged by U.K. sponsors	141, 289, 429, 570	Sterling reserves of overseas countries and international organisations (other than I.M.F.) as reported by U.K. banks etc.	125, 273, 413, 553
Net domestic issues by quoted U.K. public companies	115, 263, 403, 541	Investment trust companies, net transactions and assets:	
Net issues (excluding international issues)	114, 262, 402, 540	Assets, reconciliation of end-year figures	116, 264, 404, 543
Central government finance:		Gross transactions in quoted ordinary and deferred U.K. company securities	290, 430, 571
Borrowing requirement	87, 235, 375, 513	London gold price	131, 279, 419, 559
Current and capital accounts	88, 236, 376, 514	Money stock	110, 258, 398, 536
Marketable debt	89, 237, 377, 515	Official reserves	131, 279, 419, 547
Non-marketable debt:		Property unit trusts, net sales of units and net transactions	118, 266, 406, 545
National savings	90, 238, 378, 516	Reserves (see Official reserves)	
National Savings Bank, transfers from ordinary to special accounts	137, 285	Security yields	135, 283, 423, 563
Tax reserve certificates	90, 238, 378, 516	Short-term money rates	134, 282, 422, 562
Currency circulation	91, 239, 379, 517	Stock exchange transactions: London and Scottish stock exchanges:	
Discount market, assets and borrowed funds	93, 241, 381, 519	Transactions in British government stocks on the London stock exchange	112, 260, 400, 538
Exchange rates and comparative interest rates	132, 280, 420, 560	Unit trusts, net transactions and assets:	
External liabilities and claims of banks in the U.K. in non-sterling currencies:		Gross transactions in quoted ordinary and deferred U.K. company securities	117, 265, 405, 544
Summary, in U.S. dollars and other currencies	120, 268, 408, )	Numbers of trusts making returns	142, 290, 430, 571
in Deutschmark	142, 290-1, 430-1, )		
in Swiss francs	142, 290-1, 430-1, )		
548			
Geographical details:			
All currencies	120, 268, 408, 548		
U.S. dollars	122, 270, 410, 550		

## Other statistical information

Acquisitions and mergers by financial companies within the U.K. <sup>1</sup>		Consumer credit: end-1969, share of Financial institutions ( <i>continued</i> )	65
Acquiring companies, 1966 - 1970, 1st and 2nd qtrs. 1971	353	Finance houses:	
Companies acquired, January 1966 - December 1970	353	Assets, end-1963, 1965 and 1969	64
Expenditure, 1966 - 1970 and 1st qtr. 1969 - 2nd qtr. 1971	352	Borrowed funds, 1963, 1965 and 1969	63
Summary, 1969 - 1970 and 1st qtr. 1969 - 2nd qtr. 1971	349	Consumer credit: end-1969, share of Government securities, institutional share of:	65
Type of transaction, 1966 - 1970 and 1st qtr. 1969 - 2nd qtr. 1971	352	Holdings at end-March 1964 and 1970, up to and over 5 years to maturity	200
Capital utilisation index 1955-71, by quarters	492	Turnover, 1965-70:	
Domestic credit expansion and changes in the money stock, financial years, 1967/68 - 1970/71 and quarters, unadjusted and seasonally adjusted, 2nd qtr. 1969 - 3rd qtr. 1971	30, 180, 330, 468	Up to 5 years to maturity	201
External assets and liabilities, U.K., end-1962, 1966-70: <sup>2</sup>	214	Over 5 years to maturity	201
Overseas investment in U.K. companies' sterling securities end-1969 and 1970	212	Growth of the institutions during period end-1963 to end-1969: percentage increase on acquisition and asset value bases	68
Portfolio investment overseas end-1969 and 1970	212	Investment trust companies:	
Summary, end-1962, 1969 and 1970	211	Assets, end-1963 to end-1969	51
Financial institutions:		Net investment transactions, 1964-69	50
Assets held at end-1969	70	Local authority securities, institutional share of:	
Building societies:		Holdings of stocks and mortgages at end-March 1964 and 1970	204
Assets, end-1968 and 1969	54	Mortgages, turnover 1965-70	205
Receipts and acquisitions, 1964-69	56	Stocks, turnover 1965-70	204
		National Savings Bank investment account, assets:	
		Additions, 1966-69	63
		Holdings, 1969	63
		Quoted fixed interest securities of U.K. companies, institutional share:	
		Holdings at end-March 1964 and 1970	206
		Turnover, 1965-70	207
		Special finance agencies, assets:	
		Additions, March 1964 - March 1970	68
		Holdings, end-March 1970	68

<sup>1</sup> An article introducing the annex series appears on pages 349-53.

<sup>2</sup> Regular series.

Financial institutions (continued)

Trustee savings banks, assets of special investment departments:	
Additions, 1964-69	61
Holdings, 1969	61
Unit trusts:	
Assets, end-1963 to end-1969	52
Net investment transactions, 1964-69	52
Sales, 1964-69	53
U.K. quoted ordinary shares, institutional share of:	
Holdings at end-March 1964 and 1970	208
Turnover, 1965-70	209
Flow of funds (sector financing):	
Income and expenditure by sector, seasonally adjusted, 1st qtr. 1969 - 2nd qtr. 1971	20, 168, 318, 456
Matrix of annual flows, 1968-70	184
Matrix of quarterly flows, 2nd qtr. 1970 - 3rd qtr. 1971	32, 182, 334, 470
Matrix of quarterly flows, seasonally adjusted, 4th qtr. 1970 - 3rd qtr. 1971	332, 472
Postal strike, effects in 1st qtr. 1971	458
Sector tables of quarterly flows, seasonally adjusted:	
Banking sector (see also Domestic credit expansion and changes in the money stock) 1st qtr. 1969 - 3rd qtr. 1971	28, 178, 328, 466
Financial institutions other than banks, 1st qtr. 1969 - 3rd qtr. 1971	27, 177, 326, 465
Industrial and commercial companies, 1st qtr. 1969 - 3rd qtr. 1971	26, 175, 325, 464
Overseas sector, 1st qtr. 1969 - 3rd qtr. 1971	21, 170, 320, 459
Personal sector:	
1st qtr. 1969 - 3rd qtr. 1971	24, 173, 323, 462
Saving and acquisition of assets as a percentage of disposable income	174
Public sector, 1st qtr. 1969 - 3rd qtr. 1971	23, 171, 322, 460

Invisible earnings enquiries (see Overseas invisible earnings)

Liabilities/claims of U.K. banks in non-sterling currencies:<sup>1</sup>

Cumulative net position at end February 1971	220
Liabilities and claims, July 1970 and February 1971	219
Maturity analysis, by groups of banks, February 1971	222
National debt: estimated distribution at end-March 1970: <sup>2</sup>	80
Central government payments and receipts of interest, 1964-69	78
Changes by groups of holders and type of debt, 1969/70	74
Composition of total debt at end-March 1970	72
Overseas invisible earnings:	
Baltic Exchange, 1966 and 1969	342
Banks in the U.K., 1965 and 1969	339
Investment trusts' income from securities, 1969	344
Lloyds Register of Shipping, 1968-70	345
London stock exchange, 1966-70	345
U.K. financial and allied institutions, 1965, 1969-70	347
Portfolio investment in sterling securities:	
Inward investment in U.K. company securities, 1st qtr. 1969 - 3rd qtr. 1971	501
Turnover, 1st qtr. 1969 - 3rd qtr. 1971	501
Outward investment, 1st qtr. 1969 - 3rd qtr. 1971	502
Reserve ratios, 15 September and 20 October 1971:	
Eligible liabilities, reserve assets, and reserve ratio	486
Public sector lending ratios	488
Reserve assets, distribution by categories	487

<sup>1</sup> Regular series.

<sup>2</sup> Annual series.