

**Summary of articles**

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The contents of the articles published during 1973 in Volume 13 of the *Bulletin* are outlined below. The articles are grouped under the following headings:

- Monetary policy, including Governors' speeches
- Public sector finance
- The British banking system
- Gold, commodity and security markets
- Flow of funds
- The balance of payments
- Overseas assets and liabilities

Off-prints of the articles marked \* are obtainable on request from the Economic Intelligence Department, Bank of England, London EC2R 8AH.

### Monetary policy

#### Competition and credit control: further developments \*

March, page 51

Reviews the changes in the arrangements for credit control since the article in the December 1971 *Bulletin* (page 482). These concern their application to the banks in Northern Ireland; the possible use of differential rates for calls for Special Deposits on domestic and overseas liabilities; and some minor changes in the definition of call money qualifying as reserve assets.

#### Does the money supply really matter ?

June, page 193

Speech given by the Deputy Governor to the Lombard Association in April. Describes the difficulties of defining the money supply, its use as an economic indicator, the different versions, and possible distortions to the series.

#### Competition and credit control: modified arrangements for the discount market \*

September, page 306

Describes modifications to the arrangements introduced in 1971 for credit control in the discount market: subsequent experience showed that these unduly complicated the Bank's task, and produced distortions in interest rates in the short-term money markets. The revised arrangements allow the houses greater flexibility in managing their books.

### Governors' speeches

Speeches made by the Governor to:

The Institute of Bankers in Scotland  
(22nd January)

March, page 56

The S.U.E.R.F. Colloquium at Nottingham—  
"Multinational enterprises" (11th April)

June, page 184

The bankers and merchants of the City  
of London at the Lord Mayor's annual  
dinner (18th October)

December, page 476

Speech by the Deputy Governor to:

The Lombard Association—"Does the money  
supply really matter?" (11th April)

June, page 193

### Credit notice

December, page 445

The text of a letter sent by the Governor to the banking system on 11th September.

### Public sector finance

#### Distribution of the national debt at end-March 1972

March, page 34

#### Distribution of the national debt at end-March 1973

December, page 466

Continue the 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.

## **The British banking system**

### **Sterling certificates of deposit and the inter-bank market\***

September, page 308

Describes the results of a special enquiry at 18th April 1973. Gives a maturity analysis of outstanding liabilities and claims in the two markets by groups of banks, analyses commitments in the forward market in certificates of deposit, and comments on the causes of the sterling 'inter-bank difference'.

### **The London dollar certificate of deposit\***

December, page 446

Describes the background to the issue of U.S. dollar certificates in London since their introduction in 1966, and analyses the rapid growth and developments in the primary and secondary markets since 1968. The article discusses dollar certificates in the context of the wider euro-currency market in London.

## **Gold, commodity and security markets**

### **Yield curves for gilt-edged stocks: further investigation\***

September, page 315

Describes further research on the subject by the Bank's Economic Section. In the December 1972 issue, the Bank published an article describing a model used to produce a 'par yield curve'. This accounted for differences in yield of individual stocks due to coupon but assumed a linear relation between price and coupon. The new article explains that data from the beginning of 1973 seemed to indicate that the relation between price and coupon had become curvilinear; and it describes consequent modifications to the model. The results are shown in an appendix.

## **Flow of funds**

### **Banking sector balance sheets\***

December, page 453

Integrated quarterly balance sheet and flow accounts for the deposit banks alone were published in the December 1972 *Bulletin*. In this second article, a short introduction is followed by tables for the whole banking sector covering the period 1963-72, together with notes on definitions, sources, and methods.

## **Balance of payments**

### **The United Kingdom's invisible account 1962-72\***

June, page 164

Reviews developments in the invisible account of the U.K. balance of payments. The article examines in particular the fast growth in earnings since 1966, considers why they have risen more slowly since 1970, and briefly assesses their prospects over the next few years. Further sections describe the U.K. share of world invisible trade and the territorial distribution of the country's invisible receipts and payments.

## **Overseas assets and liabilities**

### **The euro-currency business of banks in London: maturity analysis as at end-October 1972**

March, page 44

### **The euro-currency business of banks in London: maturity analysis as at end-March 1973**

September, page 327

Continue the series of enquiries which began in 1970. They help the Bank to keep a close watch on developments in the sharply expanding market.

### **An inventory of U.K. external assets and liabilities: end-1972**

June, page 177

Continues the annual series of estimates of U.K. external assets and liabilities, giving figures for the end of 1972, and looking at changes during that year.

### **The London dollar certificate of deposit\***

December, page 446

Described earlier, under the British banking system.