Bank of England Quarterly Bulletin

Index

Volume 22 1982

Index

The index below covers the contents of each issue apart from the statistical annex. The following conventions have been adopted:

DIRECTED IN MICH

(A) = article

(S) = speech

(N) = note

Acceptance credits 233, 357

Added risk

discount market supervision 209

AGB Index Ltd 519

Amersham International 198

Arbitrage

bill arbitrage 207

money markets 207-8(N), 347

'round-tripping' 76, 77, 94, 207

Argentina

financial sanctions on 271-2

Artis, Professor M J

Why do forecasts differ? 95(N)

Assessment

evaluation of developments 3-7, 177-82, 327-32, 463-6

Assets and liabilities

Inventory of UK external assets and liabilities:

end-1981 232-8(A)

replacement cost of assets 377 Bain, Professor A D

Bank lending, monetary control and funding policy 403(N)

Balance of payments

current account imbalances 270, 356

current account of major overseas economies 355

UK balance of payments 232, 251, 357

UK capital account 18, 213

UK current account 18, 213, 355, 491

world balance of payments 34-5, 43, 212-4, 335,

355~8, 490-3

world current account 355, 490

world current account discrepancy 356(N), 490

see also External trade

Bank, banking

bad debt provisions 98, 101, 383, 551

bank bills 535

banking services 521 base rates 331, 347, 478

cash ratio scheme 89

charges 525

eligible banks 89, 576

leasing 383

London clearing banks 87

money transmission 525

profits 386

recognised banks 103 secrecy 551

statistical returns 401

task in time of recession 96-100(S)

till money 532

town clearing 87

see also Bank deposits:

Bank lending;

Banking supervision and prudential control;

Banking system;

International banking International bank lending

Bank deposits

number of accounts 521-2

retail 225, 400, 532 sight and time 532

wholesale 76, 83, 400, 533

Bank for International Settlements

half-yearly maturity analysis of lending 36, 359

statistics 42

Bank lending

acceptances 201

asset management 399

controls on 74, 391

for house purchase 23, 102, 198, 345, 390-8(A), 476,

479

monetary control and funding policy 403(N)

overdraft facilities 399, 400, 530

to industry 345, 465, 506-10(S)

to persons 23, 391

to private sector 6, 23, 25, 179-80, 191, 197, 330, 342,

476, 479, 504

see also International bank lending

Bank of England

Bank rate 397

bankers' deposits 532

bill operations: maturity bands 92

cash ratio scheme 89

central government receipts and payments 86

commercial bills held by the Issue Department 541

dealing rates 347

Deputy Governor's speeches

Banks and industry (Institute of Bankers in Bristol,

23 November 1982) 506-10

Offshore financial centres (Jersey Bankers'

Association in Jersey, 2 March 1982) 266-8 The need for flexibility in international banking

(Financial Times annual lunch for representatives of

foreign banks in London, 26 May 1982) 269-72

Exchange Equalisation Account 92

Government Broker 354

Governor's speeches

British industry in a competitive world (Annual dinner of the Development Corporation of Wales,

1 July 1982) 366-8

Recent changes in the monetary and regulatory

framework (Finance Houses Association,

28 January 1982) 101-3

The interconnectedness of the world economy

(Overseas Bankers Club, 1 February 1982) 104-7 The task of the banks in a time of recession (Annual

Assembly of the Bundesverband deutscher Banken in Bonn, 14 December 1981) 96-100

World economic stagnation and recovery (Lord

Mayor's dinner to the bankers and merchants of the City of London, 21 October 1982) 502-5

Industrial Finance Division 507

'lender of last resort' 87

money market operations 91, 181

prudential supervision of the banking system 399 role in the money market 86-94(A)

statistical requirements 103 timing consent for issues 354

Banking Act 1979 102, 547

Banking supervision and prudential control 102-3, 399

asset quality 548 auditors 549

country risk exposure 99

management quality 548

Measurement of liquidity 399-402(N), 548 Prudential arrangements for the discount market

209-11(N)

Role of the banking supervisor 547-52(S)

solvency of branches 550

standing committee of supervisory authorities 550

Banking system

Bank of England's role 86-94(A) cash position 28, 200

daily cash settlements 86

exchange rate 40, 219, 500

bank 76, 82 Bank of England's holdings of 28, 517, 541

bill leak 76, 82

Bills of exchange 514-8(S)

commercial 76, 87, 481

eligible bank 28 sale and repurchase agreements 93

trade 76 Treasury 87, 201, 540

Treasury tenders 347 'Black economy' 520, 526, 529

Budget measures 5, 8

Building societies 225, 341, 390, 480

accounts 522

deposits 535 liquidity 390

mortgage lending 390, 391, 476, 479

mortgage rate 391, 478

term shares with withdrawal facilities 535

Business start-up scheme 509, 513

Cambridge Economic Policy Group 95

Canada

exchange rate 40, 220, 364, 501

Capital

allowances 383

expenditure 388

in real terms 377

monetary working capital adjustment 377

return on capital employed 378

Capital adequacy 548

Capital base of discount houses 210

Capital gains tax 394

Capital markets 6, 180

bond finance 508

deep discounted stocks 352, 354

droplock arrangements 205, 352, 488

equity finance 508

indexed issues of stock 352, 354 international markets 361, 496-8

issues in the United Kingdom 354

North Sea oil and gas 61 recent developments in UK markets 32-3, 205,

351-2, 487-9

rights issues 508 zero coupon stock 354

Capital movements

capital flows 331, 357

direct investment overseas 232, 357, 491 Inventory of UK assets and liabilities end-1981

232-8(A)

net banking liabilities to overseas 233 overseas direct investment in the United Kingdom 233

portfolio investment overseas 233, 357, 491 see also Balance of payments

Capital stock 245, 338

Cash

'cashless society' 524 demand for 520, 527

dispensers 521, 525 international comparisons 523-4

recent changes in the use of cash 519-29(A) Central government borrowing requirement 538

reconciliation with debt outstanding 541(N) Certificates of deposit 533

Certificates of tax deposit 32, 348, 535, 542

Chancellor of the Exchequer Autumn statement 477

Cheque cards 521

Civil Service pay dispute 251, 345

Coleby, A L Bills of exchange: current issues in a historical

perspective 514-8(S)

Commodity prices 3, 177, 328, 333

Companies

capital account 244 equity returns 244, 246, 378

gearing 244 income 245

liquidations, receivership 98, 340 liquidity 190

'real' financial position 240 see also Company accounts;

Company finance; Investment;

Profits and profitability Company accounts

appropriation of income 247-8 Current cost accounting 376-81(A)

dividend cover 376, 380 effects of inflation 376

extraordinary items 379 sources and uses of funds 248-9

stock relief 378, 382

Company finance 16, 190, 243-50(A), 251, 340, 476, 506 bank finance 97 capital issues 33, 205, 351-2, 488, 508 net borrowing requirement 244, 248 small companies 507 Techniques for assessing financial strength 221-3(A) Venture capital 509, 511-3(A)

Competition and credit control 76

Competitiveness 16, 67, 186, 245, 270, 330, 337, 339, 367, 369-75(A), 464, 469, 471

Concordat (Basie) 550

credit 101, 395 expenditure 11, 189, 341, 464, 470, 519 payment behaviour 522-3

Cooke, W P The role of the banking supervisor 547-52(S)

Corporate debenture market 507 Corporate debt 507

Corporate financial strength

Techniques for assessing 221-3(A)

Corporate loan stock issue 510 market 478

Corporation tax Green Paper 379

Corset see Special deposits

Cost of capital 244, 245

Cost of sales adjustment 377

Country risk exposure 271

Coupon curvature 228 Credit cards 521, 525

Credit transfers 522

Currency swaps 362

Current cost accounting 376-81(A)

Debt management 539

Debt rescheduling 99, 361, 492, 496, 497, 503

Debt service commitments 508 ratio for developing countries 492

exchange rate 40, 219, 364, 500

Deposit-taking institutions 103 liquidity 103 supervision 101, 547

Depreciation 377

Developed countries international banking funds 45

Developing countries 328-9, 357, 491 concessionary borrowing 492 indebtedness of 492(N), 503 loans from commercial banks 99 payments deficits 329, 492

Development Corporation for Wales 366

Discount market 79, 86 discount houses 92, 515 Prudential arrangements for the discount market 209-11(N), 210 secured deposits with the discount houses 89 undefined assets multiple 79

Disintermediation 76, 82

Droplock arrangements see Capital markets

Earnings see Pay

Eastern Europe international banking funds 45

Economic forecasts 5, 14, 95

Economic structure of the United Kingdom 68

Economist Intelligence Unit forecasts 95

Electronic fund transfers

Eligible liabilities 76

Employment 9, 11, 96, 188, 339, 473, 521, 527

Energy usage 338

Equipment Leasing Association 382

Equity market 33, 205, 351, 487

Eurocurrency markets 36-8, 214-8, 359-61, 493-6 average spreads and maturities 497 eurodollar rates 347 euromarkets 267, 270 eurosterling 36, 50, 83, 205, 215, 359, 494-5, 534 eurosterling deposits 207 eurosterling issues 489 in London 37, 48, 216, 360, 495 medium-term eurocurrency credits 37-8, 216-7, 361-2, 496-7

provision of temporary liquidity to the euromarkets

sterling eurobond market 352, 354 syndicated eurocurrency credit 542

Eurodollar see Eurocurrency markets

Europe

economic difficulties 96 prospects for 106

European Monetary System 38, 97, 106, 219, 334, 363

Eurosterling see Eurocurrency markets

Exchange controls abolition 232

Exchange cover scheme 234

Exchange rates 3, 67, 97, 331, 504, 521 forward transactions 334 margins 334 movements 529 'real' 334 variability of 104, 334(N)

External debt see Assets and liabilities

External trade 14, 186, 337, 471 invisibles 18, 213, 355, 491 manufactures 67, 373, 464 North Sea contribution 63 see also Balance of payments; Competitiveness; Import penetration

Far East competition 105

Federal Open Market Committee 484, 499

Federal Reserve 327, 348, 351

Finance Houses Association 101, 386

Financial innovation 6, 98, 101, 224, 397, 530

Financial institutions holdings of national debt 543

Financial markets London as a financial centre 272, 534 official operations 346-7 structural imbalance 403

Financial statistics reliability 251

Financial system structural change 21, 97

Floating rate note issues 498

Flow of funds 251-65(A)

Foreign currency assets 530 bonds 542 debt 541, 542-3 deposits 533

Foreign exchange supervision of bank's exposure 548

Foreign exchange markets official operations 201 review of developments 38-41, 218-20, 363-5, 498-501

encadrement du credit 78 exchange rate 40, 219, 364, 500

Funding programme 28, 202-5, 346, 348-52, 478, 484-7 funding policy 403(N)

Gearing adjustment 377 capital 222, 380 capital gearing: housing 396 income 396, 506 see also Company finance

General Agreement on Tariffs and Trade 504

Germany, West exchange rate 40, 219, 364, 499 lending in deutschemarks 49

Gilt-edged market 29, 202, 344, 348, 354, 480, 485-7. 510 crowding out 510 official dealings 92

Gilt-edged stocks 536, 539 average life of dated stocks 540 convertible stocks 349, 362, 498 discounts on new issues 541 index-linked stocks 239, 351, 486, 510, 539 index-linked stocks' capital uplift 540, 541 index-linked yields 478 issues 29 maturities of new issues 481 tranche technique for issues 351 yield curves 226-31(A) vields on 478

Gold price 41, 220, 365, 501

Gold and foreign exchange reserves

United Kingdom 39, 218, 234, 363, 499

role in industry 367

Gross domestic product 15, 95, 184, 192, 339 deflator 16, 187

Gross national product growth in major economies 468

Hire purchase restrictions 345

forecasts 470 model 373

Housebuilding see Investment

Housing council house sales 395 Mortgage lending and the housing market 390-8(A) owner-occupied 392 prices 392-5 withdrawals of equity 395

Import penetration 330, 337, 366, 472(N)

Income by sector 188-92 gearing 396, 506 permanent income 239 personal sector 11, 185, 189 'real' income 239

traditional industries 508

achievement 368 Bank lending to 506-10(S) British industry in a competitive world 366-8(S) Government's role 367 structure: horizontal concentration 367

Inflation 96, 178-9, 186, 336, 470, 503, 506 accounting 377 adjusted saving and sectoral balances 191-2, 239-42(A) disinflationary policies 502 expectations of 483 house prices 394 impact on companies 376 industrial countries 184, 468 retail prices 95, 186

world 177, 184, 269, 467 Institutional shareholders 508

Inter-Bank Research Organisation 519

Interest rates 4, 21, 25-8, 75, 86, 102, 180, 198-202, 331, 343, 347-8, 465, 478, 482-4, 520 abroad 478

509

authorities' unpublished band 90 international differentials 20 nominal 539 policy 88 'real' 239, 483(N) swap 498 United States 4, 335, 343, 349, 463, 504

International bank lending 44, 267, 494 lending to developing countries 99 maturity of lending 36, 216, 359, 495 returns on lending 268 risks 270 undisbursed credit commitments 37, 359, 495

International banking banking centres 48
Flexibility in international banking 269–72(S) international banking markets 36–8, 42–55(A), 99–100, 214–8, 359–60, 493–6 international interbank market 493, 495 net external foreign currency liabilities 233 Offshore financial centres 266–8(S) see also Banks;

Eurocurrency markets;

International bank lending
International Banking Facilities 48, 215, 267, 359, 493

International bonds and notes 38, 44, 50, 217-8, 362-3, 497-8

International financial institutions 329, 505

International indebtedness 328-9

International Monetary Fund 99, 268, 271, 329, 357 non-interest-bearing notes held 542

Investment
assets for leasing 388-9(N)
companies' 246
financing fixed 386
fixed 12, 70, 338(N), 464, 470
grants 382
housebuilding 338, 392
housing market 390-8(A)
overseas see Capital movements
UK company securities 233
venture capital companies 512

Invisibles see External trade

Ireland, Republic of exchange rate 40, 220, 364

Issues of loan stock queue 33

ltaly exchange rate 220, 364, 500

exchange rate 40, 220, 364, 500 exports 105 foreign currency lending 50

Labour costs 336, 473 measure of competitiveness 370, 372

outstanding borrowing 47

Lease Brokers Association 386

Leasing 101 leased assets 338 Recent developments in equipment leasing 382-9(A)

Liability management by banks 75

Liquidity 15
liquid assets 530–7(A)
measurement of banks' liquidity 399–402(A)
ratios 193
supervision 550

Liverpool Research Group forecasts 95

Local authorities market for loans to 90, 352, 488

London Business School forecasts 95 model 372

M₁, M₂, M₃ see Monetary aggregates

Management accounting 377

Maturity transformation 53

Measurement of capital 103

Medium-term syndicated credits 47 maturities of international lending 48 spreads 47

Minimum lending rate 87, 89

Monetary aggregates 22, 75, 196-8, 224-5, 342, 344-5, 465, 478, 504

Composition of monetary and liquidity aggregates, and

associated statistics 530-7(A)
counterparts of sterling M₃ and PSL₂ 536
external influence on sterling M₃ 345

M₁ 531 M₂ 224-5, 531 M₃ 52, 531

non-interest-bearing M₁ 531 PSL₁ 83, 531 PSL₂ 531 Relationships among 531(N)

Relationships among 531(N) sterling M₃ 83, 531 targets 21, 80, 83, 201, 403

Monetary base 519, 531, 532 control of 94

Monetary control 74, 94, 191, 353, 403(N), 517-8 arrangements for 102, 209 Green Paper 88, 530 provisions 88, 89

Monetary developments 20, 81-4, 179-80, 330-2 assessment and policy 6, 19-33, 93, 102, 194-208, 465-6, 509-10, 514, 519, 530-7(A), 539 demand for currency 197 see also Monetary aggregates;

Monetary control

Monetary sector 89, 252 holdings of national debt 543

Money at call 76

Money markets 25-8, 198-202, 344, 346, 347-8, 482-4 Bank of England operations 91, 181, 353 cash shortages 481, 517 instruments 535 operations 181, 201(N), 514, 519 Role of the Bank of England in the money market 86-94(A)

yield curve 347

Mortgage lending 476, 479

and the housing market 390-8(A)
rationing 390

tax relief on interest 394
use of mortgage funds 395-6

Multipliers see Discount market: prudential arrangements

National accounts contribution of oil and gas 64, 71-3 National debt

average maturity 540
Distribution of the national debt at end-March 1982
538-46(A)

National Institute for Economic and Social Research forecasts 95 model 372

National Loans Fund 353, 481, 517

National savings 32, 204, 346, 348, 350(N), 392, 480, 510, 535, 536, 541, 546

Netherlands exchange rate 40, 219, 364, 500

Non-oil developing countries international banking funds 46

North Sea oil and gas

economic rents 60 in national accounts 64, 71–3 interest, profits and dividends 62 North Sea oil and gas—costs and benefits 56–73(A) real cost 60 reserves 57, 366 tax revenues 63

Norway

exchange rate 40, 220, 365, 501

Notes and coin 92 currency denominations 526(N) in circulation 532 note circulation 201 Recent changes in the use of cash 519-29(A)

Off-balance sheet financing 506 Official financing liabilities 234 Official holdings of national debt 538, 546

Official reserves see Gold and foreign currency reserves

Offshore financial centres 266-8(S)
Offshore Supervisors Group 266

Oil exporting countries depletion policy 69 oil price 66, 183, 329 surpluses 35, 43, 45, 104, 214, 357-8, 493

Organisation for Economic Co-operation and Development forecasts 463

Output

in the United Kingdom 9, 177, 187, 329, 464, 473 world forecasts 177

Overfunding 88, 180, 201(N), 330, 346, 353, 403, 516

Over-the-counter securities market 513

Panel of Academic Consultants

Bank lending, monetary control and funding policy
403(N)

Why do forecasts differ? 95(N)

Parallel markets 83

Payments habits 527 means of 522-4

Personal sector real disposable income 11, 185, 189, 239, 341, 470 saving 84, 189, 240, 341, 403 saving ratio 12, 476 see also Personal sector finance

Personal sector finance 252 acquisition of financial assets 190 borrowing 12, 341, 476 financial surplus 475 liquid assets 189, 350 see also Mortgage lending

Prices

fuel and raw materials 16, 187, 336, 473 house 341 price competitiveness 369 retail 16, 186, 330, 336, 474 see also Commodity prices

Private sector liquidity (PSL) see Monetary aggregates

Procurement policy 367

Productivity 9, 186, 188, 245, 269, 337, 366, 374, 474, 503, 509 major OECD countries 10 Profits and profitability companies 16, 190, 191, 222, 243–50(A), 340, 367, 376, 473, 475, 504 real profitability 340, 378 'relative profitability' as measure of competitiveness 369, 372

Protectionism 105, 328, 367, 469, 504

borrowing requirement 23, 201, 345, 477 deposits 533 external liabilities 234

finance of 197, 251, 342, 353(N)
Public Works Loan Board

borrowing facilities 353, 481, 517

Reciprocity principle for eligible banks 516

Reciprocity principle for eligible banks 510

Reintermediation 83

Repurchase agreements 347, 481 Research and development 368, 508

Reserve asset ratio 76, 88

Reserves see Gold and foreign exchange reserves

Retail deposits 225, 532 Risk taking 509, 513

'Round tripping' see Arbitrage

Royal Mint 520
Sandilands Report 377
Save as You Earn 536
Science park 509
Secondary banking crisis 547

Sector balances 'real' 239

Sector financing 251-65(A)

Special deposits 76, 391 special deposits scheme 88 supplementary special deposits scheme 74–85(A), 88, 533

Special scheme lending for exports and home shipbuilding 205-6

Spreads on eurocurrency credits 37, 47, 217, 268, 361

Statement of Standard Accounting Practice No 16 376

Sterling

exchange rate developments 38-9, 218-9, 335-6, 363, 498-9

external sterling business 216, 360, 534

Sterling eurobond market see Eurocurrency markets

Sterling M₃ see Monetary aggregates

Stockbuilding 13, 339, 471

Stock Exchange 354

Stock relief scheme 245, 250

'Sunrise' technologies 508-9

Supervision of banks consolidated supervision 551 international supervision 550 The role of the banking supervisor 547-52(S)

Sweden

exchange rate 40, 220, 365, 501

Switzerland

exchange rate 40, 220, 364, 500

postal cheque system 524

Tax

effective rate 227 implications for leasing 383 unused tax reliefs 245, 379, 386

Technology finance of 513

Temperton, P V

Recent changes in the use of cash 519-29(A)

Terms of trade 65, 339

Trade see External trade; World economy

Transactions balances—a new monetary aggregate 225-6(A)

Trundle, J M

Recent changes in the use of cash 519-29(A)

Unemployment see Employment

Unit labour costs 15, 186, 336, 473

United States

current balance 491

economy 327

exchange rates 39-40, 219, 363-4, 499-500

fiscal and monetary policy 104, 270, 327, 499, 503

housing finance 391, 396

interest rates 104, 335, 343, 463, 504

money supply 22

prospects 463 regulation Q 78 supplier of international banking funds 45, 267 venture capital 511-2

venture capital 511-2

Unlisted securities market 513 Unused credit facilities 534

Valuation ratio ('q') 244, 245 Venture capital 508-9, 511-3(A)

Wages

payments 521

settlements 15, 187, 336, 367, 464, 473

Warrants 362, 498

Welfare provision 97

Wholesale deposits see Bank deposits

Window dressing 81

World economy 269-70, 327-8, 333-5, 467-9

Gross national product 184

growth 177, 504

inflation 177, 184, 269, 467

interconnectedness of 104-7(S)

monetary and fiscal policies 469

personal incomes 185

prospects 463-4, 468(N)

trade 104, 185 UK share in world markets 372

World economic stagnation and recovery 502~5(S)

Yield curve for gilt-edged stocks 226-31(A)

Zero coupon bond issues 362

Z-score analysis 221