

# Index

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

- (A) = article  
(S) = speech  
(N) = note

## Ashworth, Fiona G

The commodity futures markets 216-24(A)

## Assessment

evaluation of developments 3-8, 161-7, 309-14, 449-54

## Assets and liabilities

return on external 385-7  
The external balance sheet of the United Kingdom: developments to end-1985 383-9 (A)

## Australia

exchange rate 354

## Baker initiative 58, 357

*see also* International debt;  
Sovereign debtors

## Balance of payments

capital account 383-4  
current account 312, 452, 465  
developing countries 39-40, 201, 348, 490-91  
direct investment 383, 388  
interest, profits and dividends 312, 326, 385-7  
invisibles 17, 326, 465  
portfolio investment 383, 385, 387  
UK position 17, 178, 325-6, 465-6  
*see also* External trade;  
World economy

## Bank, banking

base rate 192, 338, 451, 479  
competition 165, 501-2  
external and foreign currency transactions 187, 335  
failures 59  
high-interest retail accounts 186  
interest-bearing current accounts 186  
net external liabilities 386  
off-balance-sheet risk 59, 243  
securitisation of lending 228  
spread earnings 386-7  
*see also* International banking

## Bank lending

bank lending—a special survey covering lending to categories 'other financial' and 'other services' 30(N)  
to companies 23, 187, 335, 477  
to personal sector 29, 325, 335, 453  
to private sector 29, 476  
*see also* International bank lending;  
Mortgage lending

## Bank of England

Deputy Governor's speeches  
Supervision and competitive conditions 242-4  
Governor's speeches  
City regulation after Big Bang 71-3  
Financial change and broad money 499-507  
Innovation in international banking 225-9  
Structural change in housing finance 528-31  
The changing foreign exchange markets 211-15  
The London Metal Exchange 566-8  
The UK approach to financial regulation 48-50

## Banking statistics

Banking and monetary statistics: a change in reporting dates 519-27(A)  
calendar month money and banking statistics 345 (N)

## Basle Supervisors' Committee 59, 166, 227

*see also* Banking supervision;  
Concordat

Banking supervision 59, 166, 226-7  
consolidated supervision of institutions authorised under the Banking Act 1979 85-90 (N)  
convergence of supervisory standards 243-4  
large exposures 243  
off-balance-sheet risks 243  
risk-asset ratio 63, 89  
supervision and competitive conditions 242-4 (S)  
*see also* Basle Supervisors' Committee;  
International banking: supervision

## Belgium

exchange rate 47, 208, 354, 497

## Budget measures 7, 20(N), 24

## Building societies

bank deposits 476  
competition among 529  
competition for deposits 503  
competition in lending 178, 503, 529  
competition with banks 17, 165, 502-3  
interest rates 17, 19, 178, 193, 340, 482  
mortgage lending 17, 177, 323, 453, 463  
recent building society behaviour 324(N)  
shares and deposits 186, 334  
*see also* Housing finance;  
Mortgages

## Canada

exchange rate 14, 47

## Capital

rates of return 23, 177, 230, 329

## Capital issues 37, 197, 233-4, 344

*see also* International bonds and notes

## Capital markets

bulldog issues 38  
equity-related 63-4, 487  
fixed-interest 37, 61-4, 197, 344, 487  
international 40-43, 58-70(A), 201-5, 348-50, 491-4

## Cash ratio deposits 346(N)

## Central Gilts Office 56-7,

335, 562  
*see also* Public sector borrowing requirement

## Chowdhury, G, Green, C J and Miles, D K

Companies' short-term financing decisions 78-80(A)

## Coal dispute 15, 17, 175

## Commercial bills 81-2

## Commodity futures

The commodity futures markets 216-24(A)  
contracts 221  
the London commodity futures market 217-18  
options 222  
turnover 219

## Commodity prices 6, 11, 22, 171, 310-11, 316-17, 450, 458

recent trends in primary product prices and developing countries' terms of trade 172(N)

## Comotto, R D

The market in foreign exchange in London 379-82(A)

## Companies

acquisition and merger activity 233-4, 477  
borrowing from banks 23, 182, 187, 234, 329, 470-71, 477, 504  
capital gearing 234  
dividends 232  
financial behaviour 504-5,  
financial position 23, 230-35(A), 329  
fixed investment 232, 236-41(A), 329, 464  
gearing 391-2  
income and appropriations 23, 230  
liquidity 80, 182, 234  
performance 390-92(A)  
rate of return 23, 177, 230, 329, 391, 471  
short-term financing decisions 78-80(A)  
*see also* Capital markets;  
Profits, profitability

## Competitiveness 6, 18, 176, 312-13, 451, 452, 462, 468

## Concordat *see* Basle Supervisors' Committee

## Consumers

credit 325, 463  
expenditure 6, 15-16, 175-6, 313, 321-2, 451, 461-2

Costs *see* Labour costs;  
Prices;  
Unit labour costs

Debt *see* International debt;  
National debt;  
Sovereign debtors

## Denmark

exchange rate 47, 208, 354, 497

## Discount houses

2.30 borrowing arrangements 192, 338, 481-2

## Earnings 6, 21-2, 163, 180, 312-13, 328, 452, 467, 468

## Employment 19, 20, 179, 327, 451, 467, 469

Employment creation in the United States and United Kingdom 364-6(A)

## Equity market 37, 183, 197, 343-4, 486

new issues 23, 37, 197, 344, 471, 486, 532-42(A)

## Eurocommercial paper 61, 65, 204-5, 349-50, 492-3

## Euronote facilities 42, 62-3, 204, 349-50, 493

## European Monetary System 47, 208, 354, 497-8

## Eurosterling 37, 197, 344, 487

Exchange rates *see* European Monetary System;  
Foreign exchange markets;  
Sterling

## External trade 163, 325, 461, 465

balance 17, 178, 325, 465  
exports 15, 175, 178, 326, 465  
imports 15, 17, 178, 326  
import penetration 466(N)  
terms of trade 467  
UK markets 18, 170, 456, 473  
*see also* Balance of payments;  
Competitiveness;  
World economy

## Financial markets

capital market deregulation 60(N)  
City regulation after Big Bang 71-3(S)  
deregulation 60  
innovation 59, 61, 65(N), 209-10(N)  
official operations 29, 31-2, 188-90, 337, 478-9  
regulation 71-3

## Financial services

Financial Services Act 48-9, 567  
supervision and regulation 48-50, 71-3, 166, 210  
*see also* Financial markets;  
Stock Exchange

## Financial supervision

investor protection 72  
overlapping regulatory structures 72  
The UK approach to financial regulation 48-50(S)  
*see also* Stock Exchange

## Fixed investment, the capital stock and factor utilisation 236-41(A)

## Floating-rate notes 41-2, 61-4, 203-4, 349, 492-3

## Foreign exchange markets 44-7, 206-8, 352-4, 495-8

brokers 212-3, 381-2  
The changing foreign exchange markets 211-15(S)  
counterparties 381  
currency composition 380  
intervention 207-8, 309, 354, 497  
market concentration 382  
The market in foreign exchange in London 379-82(A)  
off-balance-sheet exposure 214  
options 213  
supervision 213  
turnover 211, 379-81

## France

exchange rate 47, 208, 354

## Futures and hedging 209

*see also* Commodity futures

## Germany, Federal Republic

current account 13, 174, 320, 457  
exchange rate 47, 208, 354, 497

## Gilt-edged market 34-7, 193-6, 340-43, 453-4, 483-6

accrued income scheme 193  
future structure: official operations 269-74(N)  
liquidity 453  
new structure 485  
settlement of transactions in the gilt-edged securities market 56-7(N)

- Gilt-edged stocks  
average life 560  
gross official sales 31, 189, 337, 479  
index-linked 36-7, 196, 341, 486, 559  
low-coupon 36, 195, 341  
purchase and resale agreements 31, 189, 339  
time/yield curve 34, 196, 340, 343, 484  
turnover 486
- Gold  
price 47, 208, 354, 498
- Gold and foreign exchange reserves  
United Kingdom 46, 207, 353, 388, 496-7
- Gross domestic product 6, 14-15, 175, 321, 451-2, 461  
deflator 22, 164, 181, 470
- Group of Five (G5) agreement 14, 46-7, 174, 475, 497  
*see also* Foreign exchange markets
- Housing  
housebuilding 16, 322, 463  
prices 17, 19, 165, 183, 185, 313, 323, 453, 463, 530-31  
Structural change in housing finance 528-31(S)  
*see also* Mortgages
- Income  
gearing 19, 325, 464
- Industrial production 15, 175, 321
- Inflation 22, 161, 164, 313-14, 328, 470  
major economies 11-12, 161, 169, 171, 317-18, 458-9
- Inter-American Development Bank 51-5(A)  
borrowed resources 52  
capital 52  
lending 53-4
- Interest, profits and dividends *see* Balance of payments
- Interest rates 6-7, 14, 27, 32-4, 79-80, 184, 190-93, 312, 337-40, 479-82  
international 4, 7, 14, 161, 174, 319, 457-8  
real 18, 174, 191, 314, 359-63(A)  
recent trends in real interest rates 359-63(A)
- International Bank for Reconstruction and Development 58
- International bank lending 43-4, 64-70, 205-6, 350-51, 494-5  
securitisation 209, 376  
syndicated credits 42-3, 204-5, 350, 493-4
- International banking 43-4, 64-70, 205-6, 350-52, 494-5  
analysis by bank nationality group in London 373-5  
analysis by centre 89  
analysis by currency 70, 377  
innovation 209-10(N), 225-9(S)  
interbank business 67, 376-7  
international banking and capital markets in 1985 58-70(A)  
International banking in London, 1975-85 367-78(A)  
London market 43-4, 206, 351-2, 368-71, 495  
market concentration 371-2  
Recent innovations in international banking 209-10(N)  
representation in London 371  
supervision 226-7, 242-4(S)  
*see also* International bank lending;  
International debt
- International bonds and notes 41-2, 61-4, 202-4, 348-9, 491-3  
net flows in the international bond markets 202(N)
- International capital movements 39-40, 201, 347-8, 491
- International debt  
problems 58, 310, 450  
rescheduling 310  
*see also* Sovereign debtors
- International finance 39-47, 200-8, 347-54, 490-98
- Investment  
fixed 12, 16, 19, 163, 176-7, 236-41(A), 322, 451  
*see also* Capital;  
Capital markets
- Investor protection *see* Financial supervision
- Ireland  
exchange rate 47, 208, 354, 497
- Italy  
exchange rate 47, 208, 354, 498
- Jackson, Mrs P D  
New issue costs and methods in the UK equity market 532-42(A)
- Japan  
current account 13, 174, 320, 460  
exchange rate 12, 14, 47, 208, 354, 450, 498  
fiscal action 450, 459-60
- Life assurance company and private pension fund investment, 1962-84 546-58(A)
- Labour costs 6, 171  
*see also* Unit labour costs
- Lamb, Andrew  
International banking in London, 1975-85 367-78(A)
- Leasing 176, 393-4(N), 465
- Lloyd's 50
- Loughborough Lecture: Financial change and broad money 499-507(S)
- Luke, Paul  
The Inter-American Development Bank 51-5(A)
- Major economies  
demand 12, 173, 311, 455  
gross national product 12, 162, 315-16, 456  
growth 12, 162, 168, 173, 317, 449, 456  
inflation 22, 161, 310, 317, 449, 455, 458, 472  
monetary and fiscal policies 169, 312, 318-19  
output 12, 171-2, 311, 317, 456  
saving ratios 317, 456  
surveillance of policies 167
- Mansion House speech  
Developments in monetary policy and in the City's markets 508-9(S)
- Medium-term financial strategy 7, 20, 452  
*see also* Monetary developments
- Michael, I M and Urwin, R A  
Employment creation in the United States and the United Kingdom 364-6(A)
- Miles, D K, O'Brian, P S and Pratt, M J  
Fixed investment, the capital stock and factor utilisation 236-41(A)
- Monetary aggregates and credit 24, 27-9, 164-6, 181-2, 185-8, 313-14, 329-30, 334-6, 453, 475-7  
behaviour of broad money 500-1  
calendar month statistics 520-27  
funding policy 34, 187  
M0 target 8, 20, 185, 333, 453  
PSL2 definition 186  
£M3 target 7, 20, 185, 333, 500  
structural change 500-5  
targets 8, 20, 24, 185, 333, 474, 499-507  
velocity 28, 165, 182, 329-30, 336, 476, 500-2
- Monetary developments 27-37, 164-6, 184-97, 333-45, 574-87  
Developments in monetary policy and in the City's markets 508-9(S)  
Financial change and broad money 499-507(S)
- Monetary sector 565  
holdings of national debt 562
- Money market 32-4, 190-93, 337-40, 479-82  
assistance 31, 189-90, 337, 479
- Mortgages  
cash withdrawal 182  
competition between lenders 29, 323, 502-3, 528-9  
interest rates 34, 193, 328, 340, 482  
lending 17, 177, 322, 453, 463, 477  
risks 530  
*see also* Building societies;  
Housing
- Multiple-component facilities 62-3
- Multi-year rescheduling agreements (MYRAs) 58
- National debt  
Distribution of the national debt: end-March 1986 559-65(A)
- National Loans Fund 31, 74, 564
- National savings 31, 189, 337, 479, 561-2
- Netherlands  
exchange rate 47, 208
- Non-bank financial institutions  
investment overseas 384(N)  
financial behaviour 505
- Non-bank private sector financial behaviour 502-5
- Non-oil developing countries  
external position 40, 201, 316, 347-8, 450, 490-91  
prospects 355-8(N)  
*see also* Sovereign debtors
- Norway  
exchange rate 208, 498
- Note issuance facilities *see* Euronote facilities
- North Sea oil  
The financing of North Sea and other UK oil and gas development 83(N)  
North Sea oil and gas 510-18(A)  
production 510  
real price and cost 512-14  
reserves 511-12  
resource cost 515
- Official reserves *see* Gold and foreign exchange reserves
- Oil  
the economic effects on the United Kingdom of lower oil prices 25-6(N)  
the impact of changing oil prices 331-2(N)  
prices 3-5, 9-11, 13, 25-6, 161, 163, 168, 178, 180, 309-12, 315-17, 450, 458  
the world oil market: a longer-term perspective 10(N)  
*see also* North Sea oil
- Oil exporting countries  
funds 40, 201, 348, 491
- OPEC  
production quotas 3, 10, 169, 309, 321, 450, 458
- Options 65, 209
- Output 15, 175  
manufacturing 15, 163, 175, 180, 321, 451, 462, 469
- Panel of Academic Consultants  
The share economy: aspects of employee remuneration and participation 84(N)
- Personal Equity Plans 7
- Personal sector  
assets 464, 477  
borrowing 18, 323-4, 464, 477  
debt/income ratio 18, 182, 325  
real disposable income 19, 183, 322, 462  
*see also* Housing;  
Mortgages
- Plaza accord *see* Group of Five agreement
- Prices  
import 12, 467  
retail 6, 22, 164, 180-81, 185, 313, 328, 470  
*see also* Commodity prices;  
GDP deflator;  
Inflation;  
Oil prices
- Productivity 21, 179-80, 239-40, 313, 328, 452, 467
- Profits, profitability 23, 80, 177, 329, 390-91, 464, 471  
Company profitability and finance 230-35(A)  
margins 22, 328, 470
- Protectionism 173
- Public sector  
external and foreign currency finance 34, 187  
liquid assets 77  
the net debt of the public sector 74-7(A)
- Public sector borrowing requirement 7, 20, 23-4, 29, 74, 183, 185, 187, 330, 335, 337, 452, 471, 476, 479  
*see also* Central government borrowing requirement
- Saving  
competition for personal savings 502-3  
ratio 19, 462
- Sector financing 245-52(A)
- Securities dealers, reclassification 478
- Services 326
- Sovereign debtors 64, 68, 310, 357, 450  
*see also* Baker initiative
- Special drawing rights 46
- Sterling  
effective exchange rate 6, 7, 163, 165, 181, 184, 191-2, 312, 326, 328, 331-2, 338-9, 451, 462, 467, 475  
exchange rate developments 44-6, 206-7, 352-3, 496-7

- Sterling *continued*  
*see also* Bank lending;  
     Exchange rates;  
     International banking
- Sterling commercial paper 165, 188, 198-9(N), 243, 344, 487
- Stock Exchange 453-4, 509, 532-42  
   dealing costs 453  
   market making capacity 453-4  
   new issue costs 534-9  
   new structure 453, 509
- Stockbuilding 6, 12, 16, 173, 177, 322, 451
- Syndicated credits *see* International bank lending
- Swaps 61, 65, 209
- Switzerland  
   exchange rate 47, 208, 354, 498
- Takeovers and mergers 23, 233-4, 543-5
- Trade *see* External trade
- Unemployment 19, 20, 178, 327
- Unit labour costs 6, 8, 11, 164, 180-81, 313, 326, 328, 469  
   Unit labour costs in the United Kingdom and  
   abroad 468(N)
- United States  
   budget 13, 163, 309, 318, 450, 460-61  
   competitiveness 310  
   current account 13, 173, 320, 460  
   exchange rate 5, 14, 46-7, 171, 207-8, 309-11, 319, 353-4,  
   457, 497  
   gross national product 12, 170, 316, 456, 472  
   interest rates 14, 174, 309-10, 312, 319, 339-40, 458  
   monetary policy 319, 354, 459  
   trade 311, 320, 457
- Unlisted securities market 533-7
- Wage settlements 21-2, 164, 180, 327-8, 452, 467-9
- Walker, D A  
   City and industry 543-5(S)
- World Bank *see* International Bank for Reconstruction and  
   Development
- World economy 4-5, 162-3, 310, 320, 455-7  
   current accounts 13, 39, 173-4, 200, 320, 347, 449, 490  
   economic prospects 170(N), 472-3(N)  
   monetary and fiscal policies 459  
   trade 13, 173-4, 319-20, 455, 473  
*see also* Balance of payments;  
   Major economies;  
   Sovereign debtors