The history of the *Quarterly Bulletin*

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This edition marks the 50th anniversary of the *Quarterly Bulletin*. Over the years, the *Bulletin* has been one of the main conduits through which the Bank has communicated its thinking to the wider public. This article reviews the history of the *Bulletin* — both its origins and its subsequent evolution — as well as examining some of the insights that can be gleaned from its pages on some of the key central banking issues of the time.

Introduction

This edition marks the *Quarterly Bulletin's* 50th anniversary. The *Bulletin* originally sprang into existence in 1960, the product of a series of recommendations by the Radcliffe Committee. Up until the advent of the *Inflation Report* in 1993, it was the main route through which the Bank communicated its assessment of the economic environment. It remains one of the Bank's flagship publications, providing an assessment of recent developments in financial markets as well as medium-term analytical research.[2] On its 50th birthday, this article reviews the history of the *Bulletin*, how it has evolved, and the insight it has provided into the Bank's thinking on key central banking issues.

The article is structured as follows. The first section examines briefly the *Bulletin's* origins. The next two sections examine its coverage of some of the key central banking issues of the past 50 years, through both the economic commentary and the companion articles and speeches. The fourth section then looks at how the *Bulletin* has evolved over time, both in terms of content and style.

The origins of the *Quarterly Bulletin*

The *Quarterly Bulletin* first appeared in response to a recommendation from the Radcliffe Committee in 1959.[3] The Committee — appointed to investigate the workings of the monetary and credit system — found that there was 'scope for more regular comment by the authorities on monetary and financial affairs'.[4] The Bank was therefore invited to 'give consideration to…the issue of a quarterly bulletin in which could appear either some of the more technical discussions of monetary issues or signed articles on more controversial matters'.

The Bank had anticipated this recommendation. Internal discussions about the shape of a prospective regular publication had begun as early as 1958. This work examined questions such as the publication's potential audience, its frequency, the attribution of the articles and its relationship to government publications already in existence. In doing so, it drew heavily on the experience of other central banks — such as the Federal Reserve and the Bundesbank — and of commercial banks in producing their own publications. The proposals were taken up with varying degrees of enthusiasm by the Bank's directors, but by the time the Radcliffe recommendations emerged, much of the work was already in place.

By the end of 1960, the Bank was in a position to produce its first edition of the new *Bank of England Quarterly Bulletin*.[5] The aims were twofold (Cairncross (1985)). First, it was intended to provide regular official comment on current monetary and financial developments, including through the publication of a broader set of economic statistics. And, second, it was intended to encourage research both inside the Bank and by others outside. The first edition included an economic commentary, an analysis of banking and exchequer statistics, an article on 'the financial surplus of the private sector', the Governor's Mansion House speech and a statistical annex. It was well received although it remains unknown whether its editors at the time would have expected it still to be here some 50 years later.

The *Bulletin's* assessment

At the outset, the *Bulletin's* economic commentary was the prime route through which the Bank presented its policy analysis and assessment of current events to a wider audience. In retrospect, successive *Bulletin* commentaries also provide an

(1) The authors would like to thank Philip Bunn, Alan Castle and Kenny Turnbull for their help in producing this article.
(2) An index of past *Bulletin* articles can be found on pages 267–76 of this *Bulletin*.
(3) The origins of the *Quarterly Bulletin* are discussed further in both Cairncross (1985) and Capie (2010).
(4) See Committee on the Working of the Monetary System (1959).
(5) A dummy edition was produced in September 1960 but was not circulated.

insight into how the Bank saw its own role, and its relationship with government and markets. During this period, the Bank had no statutory policy responsibility or objective but carried out a number of functions. It was an adviser to government, especially on monetary policy; it managed the government's borrowing programme and the foreign exchange reserves; it implemented monetary policy; and it had a general interest in the structure and 'orderly' operation of financial markets. The Bank had expertise in each of these areas and its views mattered, both to government and markets. How far it felt it safe to publish these views in the *Bulletin* was a judgement and depended on the mood and circumstances of the day.

Living with fixed exchange rates

On occasion the Bank could be robust. In the period before the 1967 devaluation, the *Bulletin* chronicled the various steps taken to narrow the current deficit. These included both quantitative and qualitative forms of credit control,(1) which the Bank justified as 'an earnest of the Government's resolution to maintain the exchange rate for sterling'.(2) Aware of contrary views, the Bank added 'this does not mean that the pound has been defended at the expense of the domestic economy: but rather that, given the extent of the nation's present ability and willingness to produce, we could not afford all we were doing'.

The effort, however, proved insufficient and the pound was devalued in November 1967. 'Devaluation' commented the Bank, 'is in itself no solution…it requires, even more urgently than before, if this be possible, both that efficient production at home shall increase and that home demands which are not immediately essential to a rise in productivity shall be restrained…the potential advantages of devaluation will be lost if wage costs rise, so success also turns on the patience with which hardships in the form of higher prices and taxation…are tolerated'.(3)

Sterling remained on a fixed parity, at its new lower level, and the *Bulletin's* emphasis on wages, productivity and the current account persisted for several more years. In June 1969, for example, it was 'essential that policy manifestly continues to give priority to obtaining the necessary improvement in the balance of payments'.(4) And in mid-1970, the Bank described the upward trend in domestic incomes and costs as 'disturbing', noting that 'it remains to be seen how far improvements in productivity will relieve these pressures'.(5)

By the end of 1970, the Bank's focus was more explicitly on inflation: 'wage and price increases at current rates present grave economic and social problems at home'.(6) However, 'to cure the present inflation solely by restricting demand would be likely to involve very high costs in terms of unemployment, bankruptcies and falling output'. Accordingly, 'it remains a major priority to moderate the growth of incomes'.(7)

Living with inflation

Sterling was floated in June 1972 with the *Bulletin* reporting a loss of reserves of over £1,000 million over the previous six working days. The *Bulletin* attributed the speculative attack to concerns about how recent developments — such as the movements in domestic wages and prices — might affect the United Kingdom's future balance of payments.(8)

The following years, however, saw a new source of cost pressure from abroad. The surge in global commodity prices in 1972–74 triggered a sharp deterioration in the United Kingdom's current account position. Non-oil commodity prices started to rise from late 1971 — accelerating from mid-1972 — and oil prices quadrupled in late 1973. In classic Bank parlance, the rise in commodity prices was deemed 'particularly unwelcome' for the Government's counterinflationary policies.(9)

Also of significance, however, was the impact on the country's balance of payments. Rising commodity prices were estimated to account for the majority of the deterioration in the current account between the first half of 1972 and late 1973, as a substantial non-oil deficit emerged.(10) And the surge in oil prices led to a further widening of the current account deficit, from a quarterly rate of £660 million in the fourth quarter of 1973 to almost £1 billion in the first quarter of 1974 (Bank of England (1974a)). The prospect of exporting North Sea oil meant that the UK economy was deemed 'favourably placed' in the longer term, but the non-oil deficit meant the near-term situation was less favourable.(11) The Governor at the time — Gordon Richardson — stated that there 'is no doubt that this non-oil deficit must be corrected as soon as possible' (Richardson (1974)).

Initially, however, concern appeared unwarranted as the larger current account deficit was financed without undue difficulty during the first half of 1974. But pressures started to build during 1975 as the ongoing deficit proved increasingly hard to finance, with sterling depreciating substantially over the year and official reserves being drawn down. In June 1976, the G10 and Switzerland, together with the Bank for International Settlements, announced a $5.3 billion short-term credit facility made available to the Bank 'in the common interest of the stability and efficient functioning of the international monetary system'.(12) But by September, and with sterling falling further, the Bank warned that 'the problems faced by

(1) Bank of England (1966a), page 3.
(2) Bank of England (1966b), page 220.
(3) Bank of England (1967), page 336.
(4) Bank of England (1969a), page 144.
(5) Bank of England (1970a), page 135.
(6) Bank of England (1970b), page 400.
(7) Bank of England (1971a), page 166.
(8) Bank of England (1972a), pages 325–26.
(9) Bank of England (1973a), page 127.
(10) Bank of England (1973b), page 410.
(11) Bank of England (1974a), page 134.
(12) Bank of England (1976a), page 163.

this country with regard to inflation and the balance of payments are especially severe'.(1) These problems proved too severe for the country to deal with unaided and the Government applied to the IMF for a stand-by credit.

The December 1976 *Bulletin* went to print in an atmosphere of crisis. 'At the time of writing (8th December), the reaction of the Government to the present situation is still under consideration. But in general it is clear that circumstances limit the room in which economic policy can manoeuvre…we face a year more of restraint and retrenchment.'(2) Tight monetary targets were urged, with particular emphasis on domestic credit expansion. But on the brighter side, the *Bulletin* observed that, unlike other countries, the United Kingdom could look forward to its own source of oil.

Living with monetary aggregates

Subsequently, inflation rates improved gradually as wage and price controls took hold and sterling appreciated, partly in response to North Sea oil. In addition, tight control of banking balance sheets — including through the 'corset' — improved at least the appearance of the monetary statistics.

Inflation rebounded, however, in 1980 following the unwinding of wage controls and a further pickup in the oil price. The withdrawal of the corset also led to a return to bank intermediation of credit, contributing to above-target growth in broad money. And yet, as the Assessment pointed out at some length in December 1980, the behaviour of sterling M3 'has probably not adequately reflected the stringency of financial conditions', which were putting considerable pressures on industry and had been effective in slowing inflation.(3) In large part, the counterinflationary pressure was coming from the appreciating real exchange rate. But the *Bulletin* also devoted considerable space to explaining the overshoot in the monetary data, which remained at that time the official measure of the monetary policy stance. The Bank was, however, careful to stress that this was not the only factor — 'monetary policy has thus continued to have to pay regard to a range of considerations: the target aggregate, sterling M3, and the other monetary aggregates, as well as the exchange rate, the rate of inflation and developments in the economy affecting them'.(4)

The 1992 sterling ERM crisis

Through much of the 1980s there was discussion of sterling's entry into the Exchange Rate Mechanism (ERM). And even while sterling was outside the system, shadowing policies were sometimes pursued to provide a nominal anchor for expectations. Sterling finally joined the ERM on 8 October 1990. Under the terms of entry, sterling was allowed to fluctuate against other currencies in a band of ±6% around a set of agreed bilateral central rates.(5) Membership of the ERM was expected to reinforce the authorities' counterinflationary strategy and to provide greater stability to help businesses to plan and invest.(6) The Bank warned that 'companies can have no grounds for expecting a lower exchange rate to validate any failure to control costs', warning that 'if they fail to recognise the constraints under which they now operate, the outcome will prove painful for them'.(7)

There were few signs of any tension within the ERM during 1991 despite contrasting moves in interest rates across member countries. But pressures increased during the first half of 1992 as the Bundesbank attempted to quell building inflationary pressure emerging from reunification. High interest rates in Germany obliged other countries 'to maintain higher interest rates than domestic considerations would, for the most part, have dictated', making it difficult for UK authorities to ease policy further in response to the persistent weakness in output.(8) Nevertheless, even in May, the tensions were not yet perceived to be 'serious'.

The situation deteriorated further in the second half of the year. The Bundesbank raised its discount rate in mid-July and the negative vote in the Danish referendum on the Maastricht Treaty increased tensions within the ERM. Sterling came under pressure throughout July and August as concerns built about the prospect of a 'no' vote in the French referendum on the Maastricht Treaty, due to be held on 20 September. The August *Bulletin* noted these 'strains' within the ERM, but emphasised the importance of the credibility derived from the authorities' macroeconomic policies.(9)

Tensions came to a head on 16 September when sterling fell towards its floor.(10) The Bank intervened to support the currency and there were two announced increases in interest rates. But the measures proved insufficient and with the cost of supporting the currency becoming prohibitive, the only appropriate action was to suspend sterling's membership of the ERM. The costs were substantial — both financially and in terms of the credibility of the authorities' counterinflationary policies. Robin Leigh-Pemberton — the Governor at the time — described sterling's exit as 'a shock; it was a shock to confidence; and it was a shock to a framework for monetary policy which had become highly visible and easily understood'.(11)

The sterling ERM crisis marked a watershed in UK monetary policy. Immediately after exit, the Chancellor announced the introduction of an inflation target and Leigh-Pemberton

(1) Bank of England (1976b), page 297.
(2) Bank of England (1976c), page 419.
(3) Bank of England (1980), page 406.
(4) Bank of England (1981), page 452.
(5) The ERM is described further in Adams (1990).
(6) Leigh-Pemberton (1990), page 483.
(7) Bank of England (1990), page 439.
(8) Bank of England (1992a), page 125.
(9) Bank of England (1992b), pages 241 and 244.
(10) The events of the day are described on an hour-by-hour basis in the 'Operation of monetary policy' section of the November 1992 *Bulletin* (Bank of England (1992c)).
(11) Leigh-Pemberton (1992), page 458.

emphasised the importance that 'the authorities are not perceived as taking their eye off their counterinflationary duty'.(1) The crisis also marked a watershed for the *Bulletin* — the Chancellor accompanied the announcement with an invitation for the Bank to produce a regular report on the progress being made towards the inflation target. With the advent of this '*Inflation Report*', the general assessment section of the *Bulletin* ceased to exist, more than 30 years after it was first introduced.

Evolution of central banking

The role of the *Bulletin* is, however, broader than the assessment of current economic or financial developments. The research and analysis contained within the articles in the *Bulletin* has been one of the mainstays of the publication. Some of these — such as 'The use of quill, patent and steel pens by the Bank of England during the nineteenth century' (Bank of England (1972b)) — have perhaps been somewhat tangential to core central banking. But, in general, these articles, supplemented with the speeches and working papers covered in the *Bulletin*, provide a rich stream of thought with which to monitor how key central banking issues have evolved. Two such examples of these are the role of money within the monetary policy framework and the Bank's official operations in sterling money markets.

The role of money

The importance of money within the monetary policy framework was one of the highest profile economic debates of the 20th century. The strength of the long-run relationship between money growth and inflation is now widely accepted.(2) But that was not the case at the end of World War II, when the role of monetary policy was perceived to be largely to manage the exchange rate and thereby the balance of trade. It was not until later that inflation was understood to be 'always and everywhere a monetary phenomenon' (Friedman (1963)). Indeed, during the 1960s, the *Bulletin* was largely silent on the role of money, at least in terms of analytical contributions.(3) That is not to say, however, that work was not progressing internally. In 1966, for example, an article on money was scheduled for publication but was culled late on in the process (Capie (2010)).

It was not until the 1970s that the Bank started to engage publicly with the debate surrounding monetarism. The seminal work — 'The importance of money' — was published in the *Bulletin* in 1970 (Goodhart and Crockett (1970)). This examined closely the distinguishing features of the 'monetarist' and 'Keynesian' theories on the role of money, highlighting the importance of the demand for money. It then went on to estimate money demand functions, an approach that was extended in a number of subsequent *Bulletin* articles during the remainder of the 1970s (see, for example, Price (1972), Hacche (1974) and Coghlan (1978)).

Attention also shifted during the 1970s to the potential role for targets for money growth in controlling inflation. The British Government first began publishing targets for money growth in 1976. Commenting on these in a speech in 1977, then Governor of the Bank — Gordon Richardson — stated that 'the best way of giving a clear indication of the thrust of monetary policy is to state quantitative aims for the rate of expansion of one or more of the monetary aggregates' (Richardson (1977)).

The focus on monetary targets increased following the election of the Thatcher Government in 1979 and, in particular, the introduction of target ranges for broad money as the sole intermediate target in the Medium Term Financial Strategy (MTFS) in 1980. Somewhat paradoxically, analytical contributions on money in the *Bulletin* fell back over this period. But that is perhaps unsurprising — the political prominence and economic relevance of broad money meant it became instead a key focus of the economic commentary.

By the mid-1980s, however, doubts were growing about whether monetary targets continued to serve a useful purpose. In a speech in 1986, Governor Robin Leigh-Pemberton commented that the relationship between the rate of growth of broad money and the rate of growth of nominal incomes had become increasingly unpredictable (Leigh-Pemberton (1986)). He attributed this to the rapid pace of financial change during the 1980s and raised the question about whether it might not be better to dispense with a target for broad money, something that was subsequently done in the 1987/88 MTFS.(4)

Having played only a supporting role during the United Kingdom's membership of the ERM, money growth once again rose in prominence following sterling's exit, with the announcement of medium-term monitoring ranges for both M4 and M0. Articles on money began to appear with some regularity in the *Bulletin*. Most of these began to focus on money growth at a more disaggregated (sectoral) level, identifying factors that were influencing the money holdings of households, companies or other financial corporations.(5) Some articles — on 'divisia money' — explored the weights that should be placed on different components of money according to their use in transactions (Janssen (1996) and Hancock (2005)). And other articles explored the information that money and credit might contain as a guide to real and nominal trends two to three years ahead (Astley and Haldane (1997)) — a topic originally explored in the *Bulletin* back in

(1) Leigh-Pemberton (1992), page 459.
(2) See, for example, the evidence in King (2002) and Benati (2005).
(3) The exception came in 1969, when an article was published on the concept of 'domestic credit expansion', which was viewed as superior to the rate of growth of money supply as an indicator of monetary conditions (Bank of England (1969b)). While analytical articles were few and far between, the economic commentary consistently referred to money and credit growth throughout the period.
(4) Illustrative targets remained for the narrower M0 measure.
(5) See, for example, Salmon (1995), Thomas (1996), Brigden *et al* (2000), or Berry *et al* (2007).

1970 (Crockett (1970)) — or the role of money and credit in an inflation-targeting regime (Hauser and Brigden (2002)).

The contributions contained within the *Quarterly Bulletin* do, of course, represent just one small part of the vast academic literature on the role of money. Nevertheless, as this potted history has demonstrated, leafing through the pages of the 50 years of *Bulletins* can provide an interesting insight into how the analysis of the role of money has evolved within the central banking community.

The Bank's role in the money markets

The Bank's operations in the sterling money markets are the means by which the Bank both implements monetary policy and reduces the cost of disruption to the liquidity and payment services supplied by commercial banks. Consequently, these operations lie at the heart of central banking. The framework governing the Bank's operations can be split into three broad periods during the *Bulletin's* lifetime: up to 1981; 1981–2006; and post-2006 (including the financial crisis). Other reforms during the period — notably those in 1971 and 1996–97 — were largely operational and left the conceptual framework in place at the time little altered. Throughout these reforms, the *Quarterly Bulletin* has acted as a record of both the changes and the motivations underlying them. It is of course impossible to do justice to this history in just a few paragraphs; this section aims merely to provide a brief overview.(1)

Prior to 1981, the Bank operated what was referred to as the 'classical' system.(2) Each week, a money market 'shortage' was created by the Bank issuing slightly more Treasury bills than necessary for the Treasury's needs (Bank of England (1963)). Discount houses — specialist intermediaries in the short-term money market — thereby needed to come to the Bank for funds, which the Bank would make available at the appropriate policy rate. In this framework, it was this lending facility that determined market rates; other open market operations (in which the Bank dealt in the market on a multilateral basis) were secondary, aiming merely to offset other 'autonomous' factors that might affect the amount discount houses needed to borrow.

A series of reforms was introduced during the 1970s to increase the focus on interest rates rather than quantitative controls in monetary policy (Bank of England (1971b,c)). But the underlying framework governing the Bank's money market operations remained the same. From 1972, the policy rate was replaced with a Minimum Lending Rate (MLR), which was linked initially to the Treasury bill rate but was later administered. The requirement on clearing banks to hold a certain proportion of their deposit liabilities as cash or high-quality assets was extended to cover all banks. And clearing banks were required to agree to end their collective agreements on interest rates.(3)

By the end of the 1970s, however, further (more fundamental) reforms were felt necessary. These stemmed in part from a desire to allow market factors a greater role in determining the structure of short-term interest rates and the need for greater flexibility to deal with higher and more volatile inflation (Bank of England (1982)). But more significantly, while the case for moving to a system aimed at controlling the monetary base was eventually rejected by the Government, new money market arrangements were necessary to leave open a move in that direction.(4)

The reforms in 1981 emphasised the role of open market operations relative to the Bank's lending facility. The abolition of the reserve asset ratio (liquidity) requirement relieved clearing banks of the requirement to hold excess balances at the Bank of England. Instead, discount houses would use the Bank's open market operations to bid for the amount judged necessary solely for market participants to avoid the penal charges incurred if their balances at the Bank went overdrawn. The Bank ceased to continually post an MLR; interest rates were determined by market forces based on the aggregate supply and demand of balances at the Bank, with the Bank intervening only when rates went outside an unpublished band. But from 1985, the Bank did once again, from time to time, announce an MLR at which discount houses could borrow from the Bank in an operation later in the day. And the introduction of inflation targeting in 1992 along with the regular interest rate meetings between the Chancellor and the Governor — the 'Ken and Eddie show' — meant that the authorities were setting interest rates overtly rather than leaving it to the market.

By the mid-1990s, further reforms were required (Bank of England (1997, 1998)) to address concerns that the limited scope of the operations allowed a few market participants to influence overnight interest rates disproportionately. First, the pool of eligible collateral was extended to include the newly developed gilt repo market.(5) Second, the range of counterparties was extended to include banks and securities dealers as well as the discount houses. And, third, the late-day (penal rate) lending facility was made available to all settlement banks, rather than just the discount houses. These reforms were supplemented in 2001 with an overnight deposit facility, thereby creating a 'corridor' for market interest rates.

In 2003, however, the Governor announced a review of the Bank's money market operations 'with a view to improving and simplifying them' (King (2003)). The existing system was complex and the two-week maturity of the open market

(1) For further detail, see Chapters 6, 9, 10 and 13 of Capie (2010) or Tucker (2004).
(2) See, for example, page 213 of Coleby (1983).
(3) These reforms are discussed further in Davies *et al* (2010).
(4) For further discussion of the monetary base control debate, see Foot *et al* (1979).
(5) Gilt repo operations had been used previously, for example during the ERM crisis in 1992. For further discussion of the gilt repo market, see Bank of England (1996).

operations could lead to an unusual interest rate maturity structure around the time of policy rate changes. In addition, although market interest rates were kept broadly in line with the policy rate on average, overnight interest rates were highly volatile by international standards and could still be influenced by some counterparties, thereby discouraging participation.

The reforms of 2006 returned the standing (lending and deposit) facilities to pre-eminence as the means through which overnight interest rates were set.(1) Banks agreed to hold a specified positive balance with the Bank on average over a maintenance period lasting from one Monetary Policy Committee meeting to the next. The level of 'reserves balances' targeted was chosen by individual banks and, for the first time ever, remunerated at the Bank's official policy rate. Weekly open market operations were used to ensure that the demand for reserves was met in aggregate. Standing lending and deposit facilities were made available for banks to access at any time, priced to create a corridor around the official policy rate. These arrangements ensured that, through arbitrage, overnight interest rates should remain around the middle of the corridor over the maintenance period in line with Bank Rate (Mac Gorain (2005)).

The framework was adapted further during the recent financial crisis in response to significant changes to financial and monetary conditions.(2) These adjustments are discussed further on pages 292–301 of this *Bulletin* and so will not be discussed at length here. In brief, however, the introduction of asset purchases (also known as 'quantitative easing') led to the suspension of reserves targets, with all reserves remunerated at Bank Rate. In addition, a number of liquidity insurance facilities were introduced. These included long-term (initially three-month) repo operations against a wider-than-normal pool of collateral, and a US dollar facility to address strains in term money markets and dollar markets. The Bank also introduced the Special Liquidity Scheme (SLS) and, subsequently, the Discount Window Facility (DWF) to allow banks to exchange illiquid collateral for UK Treasury bills or gilts for a fee.(3) Of these, both the SLS and US dollar facility were intended as temporary measures whereas the DWF and the extended-collateral long-term repos are intended to be permanent features. The prospective shape of the sterling monetary framework is examined further in the article by Clews, Salmon and Weeken on pages 292–301 of this *Bulletin*, continuing the *Bulletin's* tradition of documenting the Bank's role in sterling money markets.

The *Bulletin's* evolution

The *Quarterly Bulletin* has evolved continually to reflect the changing nature of the Bank and its communication needs. In some instances, that has reflected changes in content, as when the *Inflation Report* was first introduced in 1993. But on other occasions it has reflected changes in style, design or method of communication. This section reviews how the *Bulletin* has evolved over time.

Structure and content

Despite its age, the backbone of the *Bulletin* remains similar to that in the first edition in December 1960 (**Table A**). Research articles continue to form a core part of the *Bulletin*. And, while the nature of the report may have shifted over time, there has been a consistent focus on recent developments in financial markets throughout the history of the *Bulletin*.

Table A Structure of the *Quarterly Bulletin*

	1960–92	1993–96	1997–2000	2001–08	2008–current day
Summary/foreword(a)		✓	✓	✓	✓
Economic commentary(b)	✓				
Financial market commentary(c)	✓	✓	✓	✓	✓
Research and analytical articles	✓	✓	✓	✓	✓
Full speeches(d)	✓	✓	✓	✓	
Speech summaries					✓
Working paper summaries				✓	✓
Statistical annex	✓	✓			

(a) During 1993, the summary formed the introduction to the *Inflation Report* but from 1994 it covered the main content of the *Quarterly Bulletin*.
(b) While the commentary on the domestic economy ended following the publication of the *Inflation Report* in 1993, the *Bulletin* continued to contain a section on international economic developments up until 2001.
(c) The commentary on financial markets was dropped for three editions in 1997 before being reintroduced.
(d) Only selected speeches were published in early editions.

But there have been some notable changes in the *Bulletin's* structure over time. Perhaps most noteworthy is the shift away from publishing commentary or assessment of recent economic developments. For many years, this was the highest-profile section within the *Bulletin*, representing as it did the easiest (and, often, only) way to understand the Bank's thinking on the issues of the day. But following the introduction of inflation targeting in 1992 and the requirement on the Bank to produce a quarterly '*Inflation Report*', this part of the *Bulletin* was stripped out, leaving the *Bulletin* to focus solely on recent financial and, for a time, international developments.

A second notable change was the cessation of the statistical annex in 1997 as these figures moved across to form part of the Bank's new *Monetary and Financial Statistics* publication. On one level, this marked a clear departure from one of the original purposes of the *Bulletin*: to provide regular financial statistics. But it was actually aligned with the original thinking of the Radcliffe Committee, which had never envisaged the *Bulletin* including these statistics, favouring instead a separate 'Digest of Monetary and Financial Statistics'. Nevertheless, the removal of the statistical annex altered the nature of the *Bulletin*, increasing the share devoted to more medium-term analytical research.

(1) See Bank of England (2004a,b), Tucker (2004) and Clews (2005).
(2) See Cross, Fisher and Weeken (2010) or Clews, Salmon and Weeken (2010).
(3) For further discussion of the Bank's collateral risk management framework, see Breeden and Whisker (2010).

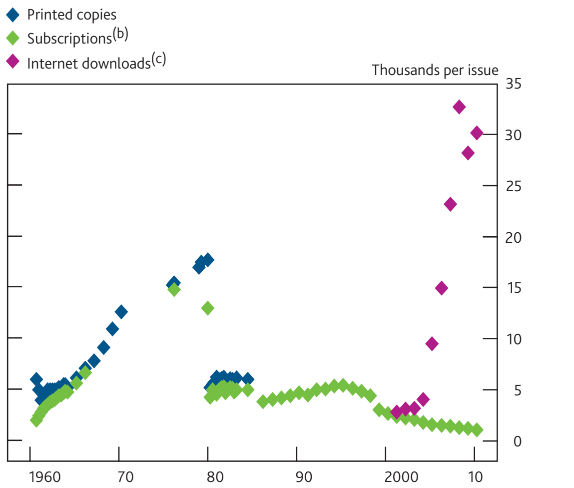
Other changes to the *Bulletin* have perhaps been less prominent but have, nevertheless, marked important stages in the *Bulletin's* evolution. The emergence of the information age placed a premium on the *Bulletin* being easily digestible for readers who had increasing access to vast swathes of research. From 1993, a summary was introduced (later evolving into a foreword authored by the Bank's Chief Economist) that allowed a busy reader to grasp quickly the key points. And summaries of Bank of England working papers were introduced in 2001, thereby allowing easy access to the breadth of the Bank's research. More recently, the immediacy with which speeches have become available — both through media and the internet — has nullified the need to replicate speeches in full in the *Bulletin*; instead, short summaries were made available from 2008. This contrasted with earlier years, where the *Bulletin* could sometimes represent the first opportunity readers would have had to read Bank speeches.

Style and publication

Over the years, a great deal of care and consideration has gone into the design and production of the Bank's publications. The *Bulletin* has gone through various incarnations, as shown by the selection of front covers in **Figure 1**, but it remains the same clearly branded product that it was back in 1960. Boxes — now an important part of the *Bulletin* — were introduced from 1981, thereby allowing standalone parts of the analysis to be separated out from the main text. And it was not until 1992 that colour was first introduced into the *Bulletin*.

Changes in design were accompanied by changes in communication techniques. When the *Bulletin* was first introduced in 1960, it was freely available and the print run quickly soared, from around 5,000 per issue in early editions to approaching 20,000 per issue towards the end of the 1970s (**Chart 1**). But these numbers were unsustainable without charges being brought in to cover printing costs. These were introduced in the early 1980s and circulation fell back sharply, to numbers comparable to those in the early 1960s.

Chart 1 *Quarterly Bulletin* circulation(a)



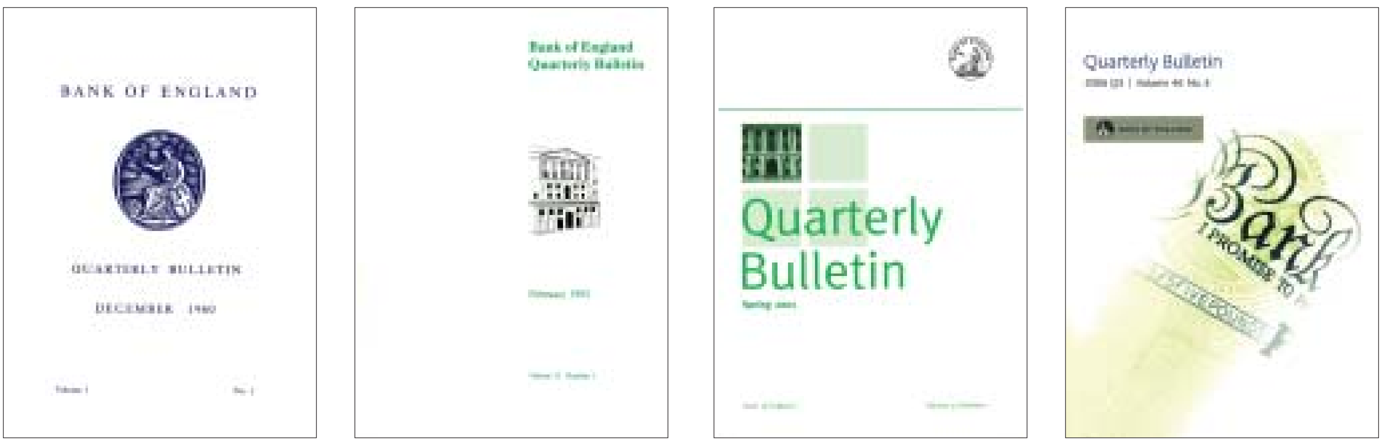
(a) The data are based on past internal papers; gaps occur where the data are incomplete.
(b) Includes complimentary copies and all UK and overseas paid and concessionary subscribers who receive the *Bulletin* when it is released.
(c) Average number of downloads for each issue within a calendar year. A download is recorded if somebody chooses to download either the full *Bulletin* or an individual article. So the numbers may distort the number of individual readers.

Circulation was then steady for much of the 1980s before falling back from the mid-1990s as copies became more widely available on the internet. Indeed, internet downloads have soared in recent years as the Bank has shifted towards greater use of electronic communication.

The future of the *Bulletin*

The Bank places great premium on the effectiveness of its communication, and seeks continually for ways to make improvements (see, for example, Aikman *et al* (2010)). Over the past 50 years, the *Quarterly Bulletin* has been a key conduit through which external observers can gain an insight into the Bank's thinking, and never more so than during the recent financial crisis. The *Bulletin* has evolved during that time, adapting to new responsibilities and new technologies. But the same rigour and analysis that underpinned the original *Bulletin* remains today and will continue to do so in the future.

Figure 1 Selection of past covers of the *Quarterly Bulletin*



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