

Home > [The ‘New Inflation’ and Monetary Policy](#) > Chapter

Some Economic Implications of the Indexing of Financial Assets with Special Reference to Mortgages

Chapter
pp 90–141 | [Cite this chapter](#)



Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:



- > **Store and/or access information on a device**
- > **Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

Reject optional cookies

Manage preferences

allocation as well as the redistributive effects can be eliminated or at least greatly alleviated by the device of 'indexing' financial contracts, especially long-term contracts. Indexation consists in denominating the principal and the interest in 'real terms', i.e. in terms of 'a suitable commodity basket'. In practice, this means that the nominal value of the principal is revalued periodically on the basis of an index of the changing nominal value of the stated basket, and that the agreed interest is to be applied to the revalued principal.

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this chapter

[Log in via an institution](#) 

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

Manage preferences

Tax calculation will be finalised at checkout

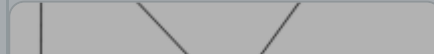
Purchases are for personal use only

[Institutional subscriptions](#) →

Preview

Unable to display preview. [Download preview PDF.](#)

Similar content being viewed by others



Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Fischer, S., 'The Demand for Index Bonds', *Journal of Political Economy* (June 1975).

[Google Scholar](#)

Kaufman, G. C., 'The Questionable Benefit of Variable-Rate Mortgages', *Quarterly Journal of Economics and Business*, University of Illinois (Autumn 1973).

[Google Scholar](#)

Merton, R. C., 'Lifetime Portfolio Selection under Uncertainty: The Continuous-Time Case', *Review of Economics and Statistics* (Aug 1969), pp. 247-57.

[Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

- Store and/or access information on a device**
- Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

Reject optional cookies

Manage preferences

Poole, W., 'Housing Finance under Inflationary Conditions' in *Ways to Moderate Fluctuations in Housing Construction*, Board of Governors, Federal Reserve System (Washington, 1972).

[Google Scholar](#)

Poole, W., and Negri Oppen, B., 'The Variable Rate Mortgage on Single Family Homes' in *Ways to Moderate Fluctuations in Housing Construction*, Board of Governors, Federal Reserve System (Washington, 1972).

[Google Scholar](#)

Scholtes, C., The Indexation of Financial Assets: An Economic Analysis for Monetary Policy, Memoire présenté en vue de l'obtention du grade de Licence et

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Università di Torino, Italy

Mario Monti (Professor of Economics, Professor of Monetary Theory and Policy)
(Professor of Economics, Professor of Monetary Theory and Policy)

Università Bocconi, Italy

Mario Monti (Professor of Economics, Professor of Monetary Theory and Policy)
(Professor of Economics, Professor of Monetary Theory and Policy)

Copyright information

© 1976 Banca Commerciale Italiana

About this chapter

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **[partners](#)**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Search

Search by keyword or author



Navigation

Find a journal

Publish with us

Track your research

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)