

COMMITTEE OF TREASURY

MINUTE BOOK

48

Wednesday, the 22nd February, 1922

Present

The Governor
The Deputy Governor
Sir Everard Hambro
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Janks
Sir Henry Babington Smith
and
The Comptroller

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor having read two letters from Mr. J. A. Mullens dated the 18th and 21st February, it was agreed to inform him that the Minute of last week "means what it says," and in this connection the Governor suggested that he might attempt to obtain more equitable terms of remuneration in respect of Stock Exchange transactions by Messrs Mullens & Co. for the National Debt Commissioners.

The Governor informed the Committee -

(1) Of the estimated surplus profits for the half-year ending 28th February, amounting to £3,160,000, and that he proposed to deal with this surplus as follows: -

In writing down cost of Securities, £1,260,000.

Setting aside £250,000, being the Bank's subscription to the capital of the new Anglo-Austrian Bank, and

To carry the balance to Suspense Account No. 1.

(2) That, on the introduction of Mr. Benjamin Strong, he had had a visit from Mr. Nakane, the London

Representative

22nd February, 1922.

Representative of the Bank of Japan, on the subject of closer relationship with the Bank.

(3) That Mr Bodilly through his solicitors had again raised the question of an increase of dividend on Bank Stock.

Further discussion took place on the question of the dividend to be paid for the half-year ending the 28th February, and it was agreed, in all the circumstances, to recommend that a dividend at the rate of 6% less tax be declared for the past half-year.

A Minute of the Staff Committee recommending certain additional salaries and gratuities to Principals, etc. was submitted and referred to the Court.

The Deputy Governor reported that an opportunity had occurred of renting further offices in the Building immediately adjoining the Bank's property in Finsbury Circus at a rental of £16,000, whereby it will be possible to accommodate temporarily in Finsbury Circus the whole of the offices in the Accountant's department with the exception of the Dividend Accounts Office.

Present

The Governor
Sir Everard Hambro
Lord Revelstoke
Lord Cullen of
Ashbourne
Sir Henry Robinson
Smith
and
The Comptroller

Wednesday, the 1st March, 1922.

The proceedings of the last Committee were read and agreed.

1st March, 1922.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That the South Eastern & Chatham Railway had arranged, under the Trades Facilities Act, to form a Construction Company with borrowing powers up to say £6,000,000 to carry out the work of electrification. He proposed to allow the Construction Company to open an account at the Bank and to obtain advances, as and when required, under the Government's guarantee; the principal and interest to be repaid within a limited period of the first advance.

(2) That, on the introduction of Mr. Benjamin Strong, he had had a visit from Mr. Fukai, Deputy Governor of the Bank of Japan, who seemed very friendly and anxious for closer relationship with the Bank.

Office File PS2.

(3) That he had written to Mr. Barts, who had since gone to Prague, asking him to co-operate with Mr. Spencer-Smith on the Bank's behalf in the matter of the Anglo-Austrian and Czech Banks.

(4) That, owing to the breakdown in the Mining Industry in South Africa, he had offered to sell a small amount of gold for export to India in small bars.

(5) That the "Rest" to-morrow would disclose an amount sufficient to pay a dividend of 6% for the past half-year, and that although this indication of a probable increase might provoke comment he thought

that

1st March, 1922

that in view of long custom it would be inadvisable to make any change at present. He suggested that the general question might be considered later.

Referring to the Minutes of the 7th December last, it was agreed to recommend to the Court that Sir Gordon Navine be requested to represent the Bank on the Board of the new Anglo-Austrian Bank on its formation.

A letter of resignation was laid before the Committee from A. J. Curtis of the Dividend Pay Office, and it was agreed to recommend to the Court that he be allowed to retire as from the 27th May on attaining the age of 60 and granted a pension as detailed in a separate Minute.

A letter having been received from Laura Bristow, a Woman Clerk, asking to be allowed to withdraw her resignation which had been accepted by the Court on the 2nd February, it was agreed to recommend, as an exceptional case and without creating a precedent, that she be allowed to remain in the Service with the loss of six months' seniority.

It was agreed to recommend that, at the close of the Bank's year and to mark the year in which the War officially ended, a Gift be made to the members of the Clerical Staff and to certain other persons in receipt of weekly wages, as detailed in a separate Minute.

Present: -

The Governor
 Sir Gerard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr Grenfell
 Mr. Janks
 Sir Henry Babington
 Smith
 and
 The Comptroller.

Wednesday, the 8th March, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That certain transfers of War Stock had been effected by means of Powers of Attorney, the signature of the Stockholder thereto having, it is alleged, been forged. The Brokers who had acted as Attorneys fully realised their liability to replace the Stock if called upon, but the Stockholder had now stated in writing to the Bank that he ratified and confirmed the sale of the amounts of Stock. He made no claim for replacement of the Stock and confirmed the amount of his holding as now shown in the Bank's Books. This, in the opinion of the Bank's Solicitors, exonerated the Bank entirely from all liability in the matter.

CT 77

(2) That, with reference to previous Minutes, he had received from Messrs Mullens & Co. the following memorandum, dated the 1st March.

"Mullens, Marshall, Steer, Langford & Co.

"13, George Street,
 "Mansion House, E.C. 4
 "1st, March, 1922.

"Memorandum.

"To

"The Governor,

"The Bank of England.

"The

8th March, 1922.

"The fact of our name appearing as Brokers in connection with issues of Public Companies having led to criticism, we agree that apart from issues made through the Bank, we will in future only allow our name to appear on the prospectuses of Trustee securities.

"It is understood that as at present, our firm remains sole Brokers to the Bank, but this is of course, subject to revision by present or future Governors of the Bank, after consultation with ourselves.

"Although our remuneration from the Commissioners of the National Debt is insufficient to pay our clerical staff in connection with the work, we have no desire to ask for any alteration in the present method of payment. The prestige conferred by our appointment as Government Brokers bringing business to compensate for loss in this respect.

"Mullens & Co."

The Committee agreed to accept these conditions.

(3) That the Terms for the Management of the Government Debt, which were made in September, 1919, for the two years ending April last, were due for revision. Under the present arrangement the Bank had sustained a loss estimated to exceed £300,000 for the period in question and, while he did not think it expedient to try and recover any of this loss, he proposed to endeavour to make an arrangement for the next two years on terms which would shew a small profit to the Bank and would as nearly as possible cover the period up to the termination of the French Credit.

The

8th March, 1922.

The Chief Accountant attended the Committee and produced the Accounts of the Bank for the past Half-Year. It was agreed to recommend to the Court that the Half-Year's dividend of interest and profits be made on the 5th April next of £6 per cent less Income Tax.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Tarkes
Sir Henry Babington Smith
and
The Comptroller.

Wednesday, the 15th March, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The following letters from the Reichsbank dated the 2nd March and from H.M. Treasury dated the 10th March having been read—

Translation

"Reichsbank-Direktorium
"No. 4543.

"Berlin, 2nd March, 1922.

"With reference to the conversation which
"President Haverstein had the honour to have with the
"Governor of the Bank of England in October last year, we
"beg to inform you that we have in view the deposit of
"M. 50,000,000 Gold (Fifty million Marks in gold) at the Bank
"of England. As duly agreed the gold is to serve (should occasion
"arise for a Sterling loan), as a security or is to be held on
"deposit by the Bank for safe custody on behalf of other Central
"Banks of Issue.

"Before

15th March. 1922

" Before we forward the consignment, we beg that
" in accordance with the Governor's letter of the 5th December 1921,
" precautions may be taken to ensure that H. M. Customs and the
" Tax Authorities authorize the entry of the gold free from
" liability to the 2½% duty.

" From the above mentioned letter of the Governor
" we gather that H. M. Customs are ready at any time to give
" at our request re-export licence in respect of the deposited
" gold. We beg for a confirmation of the correctness of our
" assumptions.

" Further we request you to confirm that the
" Bank of England on their part will on request release gold
" which we have deposited with them (in so far as it is free
" from charge) and further after the release will take the
" necessary steps on our behalf at H. M. Customs to obtain
" free re-export.

" We allow ourselves to assume that the Bank
" will undertake the transport of the gold from the ship at
" the docks in London to the vaults at the Bank at our
" expense. A special insurance of the transport is not necessary
" as the sea transport insurance covers it. The insurance
" policy in question requires us to give the assurance that the
" transport from the ship to the Bank's vaults shall be
" carried by trustworthy persons.

" As soon as your favourable reply is in our
" hands we shall be able to take the necessary steps to
" arrange for the shipment and will then give you further
" news.

" Haverstein - Kauffmann."

" Confidential "

" F. 4367

" Treasury Chambers,

" 10th March, 1922.

" Gentlemen

15th March, 1922.

"Gentlemen,

"I have laid before the Lords Commissioners
"of His Majesty's Treasury Sir E. M. Harvey's letter of the 5th
"instant stating that the Bank of England have now received
"from the President of the Reichsbank a request that
"definite arrangements may be made to enable the Reichsbank
"to deposit gold at the Bank of England for use in case of
"need as security for the raising of credit.

"In reply I am to state that Their
"lordships have asked the Board of Trade to arrange for
"standing authority to be given for the issue of Export
"licenses at any time in respect of any gold that may be
"forwarded by the Reichsbank to the Bank of England under
"the above-mentioned arrangement.

"I am,

"Gentlemen,

"Your obedient servant

"(signed) O. E. Niemeyer.

"The Governor and Deputy Governor.

"Bank of England."

it was agreed to recommend to the Court that the
arrangements be approved under which the Reichsbank
be allowed to deposit gold from time to time at the
Bank either as security for advances or for other
purposes; subject to standing authority for the issue
of Export licenses at any time in respect of such Gold.

The Governor informed the Committee—

That, in answer to a request from Dr. Rathenau

through

15th March, 1922.

Through M. Bergmann, he had declared his utter inability to assist in obtaining a Cash Advance on German Treasury Bills to the extent of £20,000,000 to £30,000,000, whether in this country alone or in conjunction with the United States, Holland, Switzerland, etc. He realized that, as represented by them, the failure to obtain an advance, with consequent depreciation in the Exchange, might have an adverse effect on German mentality and labour conditions, but he considered any such private operation impracticable while the Reparation question remained unsettled.

That Dr. Havenstein, President of the Reichsbank, hoped to obtain complete autonomy for his Bank during the current month.

That he proposed to suggest to the Treasury that the arrangement made last year regarding the rate of interest to be paid on Ways and Means Advances be continued for the current year; the rate in respect of Advances in excess of £15,000,000 to be fixed for the present at $3\frac{1}{2}\%$.

That, with reference to a Minute of the Committee of the 8th February, the Chairman of the Committee of the Stock Exchange had agreed to exclude from fortnightly or monthly settlements all Securities under the headings "British Funds" and "Colonial and Provincial Government Securities".

That he had authorised a further payment of £2000 to the Banker's Clearing House, being the Bank's quota in respect of an additional £24000 required for the new building and fittings.

That

15th March, 1922

That he had anonymously handed over to the Commissioners for the Reduction of the National Debt a sum of £2,500, being commission saved in respect of an issue of Local Loans Stock.

That, following on a Minute of the Committee of the 8th February, he had had a very satisfactory interview with M. Schnyder de Wartensee, Vice President of the National Bank of Switzerland, on general questions including the Genoa Conference, Gold deposits and closer relationship with the Bank.

Also, that he had had a further visit from Mr. Van Vollenhoven of the Netherlands Bank.

That, with reference to Minutes of the Committee of the 26th October last and 15th February he had received an unsatisfactory letter from Sir Moreot Warren of the Imperial Bank of India which he read to the Committee together with a draft outlining his reply.

N/E.
Letter in CT 32

It was agreed that certain Securities belonging to the Bank Provident Society, Life Branch, which were not suitable investments for such a fund, should be taken over by the Bank at cost price - the equivalent amount being invested in Trustee Securities on behalf of the Society.

15th March, 1922

A letter of resignation was laid before the Committee from George Jopple of the Private Drawing Office, and it was agreed to recommend to the Court that he be allowed to retire as from the 15th June, and that he be granted a pension as detailed in a separate Minute.

It was also agreed to recommend that a pension be granted to J. A. Hales, a Mechanic in the Printing Department, who is 65 years of age and has been employed since 1883.

Recd
Secretary

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of
Ashbourne
Mr. Tiarles
Sir Henry Babington
Smith
and
The Comptroller.

Wednesday, the 22nd March, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

It was agreed that no alteration be recommended in the Bank Rate.

The House List of Governors and Directors for the ensuing year was submitted and referred to the Court, together with the Annual Reports by the Secretary on the Samaritan Fund and Clerks' Guarantee Fund.

It was agreed to refer to the Court

the

22nd March, 1922.

The Quarterly Report of the Staff Committee, together with the following Minutes of that Committee, viz: -

- (1) Recommending appointments,
- (2) On the case of Walter Ager, a 2nd Class Clerk at the Western Branch.
- (3) In regard to deductions from Salaries, etc. on account of Sickness Benefit payable under the National Health Insurance Acts.

It was agreed that the Voting for Members of the Committee of Treasury should take place at the Court on the 6th April and that the Votes should be counted after Court on that day.

The Governor read his reply to the letter from Sir Norcol Warren which he had read to the Committee last week.

The Governor informed the Committee-

That he had been invited to act as a Trustee of the Combined Public Appeal shortly to be issued in the name of the Prince of Wales by King Edward's Hospital Fund for London, and that he proposed to consent to act in his official capacity as Governor of the Bank.

That he had had a letter from the Acting Agent General for Queensland, stating that his Government would not require to avail themselves of the Bank's offer to renew their loan in the Spring, as they already had sufficient Funds at their disposal.

That

N/E
Letter in CF 32

ET. 71.02.

22nd March, 1922.

That he had had a letter from Mr Victor Moll of the Riksbank, asking if the Bank would carry out certain transactions, to which he had replied that he would be pleased to facilitate exclusive co-operation on the usual lines as between Central Banks.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Tinker
Sir Henry Babington Smith
and
The Comptroller

Wednesday, the 29th March, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend to the Court that a pension be granted to Charles S. Hitchings, a 1st Class Clerk in the Bill Office.

The usual application from the Chancellor of the Exchequer for Advances during the ensuing Quarter was laid before the Committee and referred to the Court.

The Committee considered a request from the Canon & Precentor of Southwark Cathedral for assistance, and it was agreed to recommend to the Court that for special reasons a donation of £100 be made to the Funds of the Cathedral.

Je

29th March, 1922.

It was agreed to recommend to the Court that, at the request of Mr Spencer Smith, an invitation be extended to Mrs. Rosenberg and Simon to become directors of the new Anglo-Austrian Bank.

The Governor informed the Committee—

CT. 71.02.

That he had agreed in his official capacity to continue to act as a Trustee of a Fund which was established in 1842 instituting the "Jinies Scholarships" for Scholars of the City of London School and Christ's Hospital proceeding to the Universities of Oxford and Cambridge.

That he proposed to ask the Court to-morrow to agree to the Sealing of a Power of Attorney authorising Professor Vambery to act on the Bank's behalf in a prosecution at Buda Pesth of two men arrested in Hungary on a charge of having forged or of having circulated forged Bank of England Notes.

CT. 69.03.

That, in view of the re-building of the Bank, now under consideration, and the possibility of further accommodation being required in the near vicinity, he considered it most inadvisable to renew or promise to renew any of the leases of Nos. 1, 2 & 3, Bank Buildings, and 19, Old Jewry, which may fall in during the next 10 years.

That he proposed to make a donation on behalf of the Bank to a testimonial to Henry W. Smith, a Bank Note Stamper, recently pensioned, who acted as Assistant Librarian to the Clerks' Library for 48 years, and that he had agreed to allow the Committee of the Library to have the services for one year of any Temporary Clerk they may select, who would also assist in the

publication

29th March, 1922 publication of the Magazine.

That, with reference to a Minute of the 1st instant he proposed to lend for export to India a further £500,000 of gold, to be drawn from the amount set aside for the French credit.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Tarkes
Sir Henry Babington
Smith
and
The Comptroller

Wednesday, the 5th April, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

It was agreed after discussion that no alteration be recommended in the Bank Rate this week in view of the present rate and position in New York.

et 99.

It was agreed to recommend to the Court that pensions be granted to Gerald H. Dyster, a 1st Class Clerk in the Private Drawing Office, and Frederick J. Elliott, a House Porter.

On an application from Mrs Annie M. Burne, Widow of the late William L. Burne, formerly of the Leeds Branch, it was agreed to recommend to the Court that the Compassionate Allowance of £50 a year which she has received since 1898 be continued, during pleasure, for a further period of 5 years.

5th April, 1922

A letter was laid before the Committee from Sir Alan Anderson stating that it is proposed to re-organise his Company, and it was agreed that he should be asked to inform the Governor when the re-organisation is complete.

The Governor informed the Committee—

That he had had a further visit from Mr. Zigo Fukai and Mr. Sadahisa Nakane of the Bank of Japan who had stated —

(1) their unwillingness to enter a formal association of Central Banks (as proposed in the preliminary report for the Genoa Conference) but

(2) their desire to co-operate on any question of interest to Central Banks which may arise, e.g. a return to free Gold Markets, and

(3) their especial wish to keep in continuous touch with the Bank through their London representative and to maintain their present account with the Bank.

That with reference to the Minute of the 7th December last, recording the Bank's policy of discouraging acceptance credits which call for Renewal Bills, he had recently ascertained that Messrs Lazard Brothers had arranged a credit with the Polish State Bank on those very lines; but that he had since received a letter from Sir Robert Kinderley stating that the matter had now ^{been} arranged otherwise.

That the Election for the Institute of Bankers now in progress is very important as the

Bank

5th April, 1922

Bank Officers' Guild are making an attempt to capture the executive.

That, with reference to the Genoa Conference, Sir Charles Addis, Mr Peacock and Mr. Hurry Bell would attend as representatives of the British Financial Delegation.

In this connection the Governor laid before the Committee Part 2, section 1 of the Financial Provisions of the Agenda for the Conference.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Grenfell
Mr. Tinker
Sir Charles Addis
and
The Comptroller

ET 99.

Wednesday, the 12th April, 1922

The proceedings of the last Committee were read and agreed.

Failing the likelihood of any reduction in New York and, owing to domestic conditions, it was agreed to recommend to the Court to-morrow that the Bank Rate be reduced to 4 per cent.

Proposals for the appointment of Committees, etc. for the current year were submitted and referred to the Court.

The Quarterly Report of the Staff Committee with "Overs and Shorts" and a Minute of that Committee recommending an appointment were approved and referred to the Court.

It was agreed to recommend to the Court that pensions be granted to Walter E. Leffler.

a

12th April, 1922.

a Cashier, Arthur C. Manwell, a Senior Clerk in the Issue Office and Arthur H. Plumer, a 2nd Class Clerk in the Bank Stock Office, as detailed in a separate Minute.

It was agreed in principle that Lewis M. Wilcoxon, a Supernumerary 2nd Class Clerk in the Transfer by Deed Office, who is about to apply for permission to retire on account of ill-health after 19 years' service, be allowed to commute his pension provided he goes abroad to take up a fresh occupation and to make a new home.

Present

The Governor
The Deputy Governor
Mr Grenfell
and
The Comptroller.

Wednesday, the 19th April, 1922

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

With reference to the Rate of Interest allowed by the Bank to the Bank Provident Society on deposits which has remained at 4% since December 1913, it was agreed to recommend to the Court that, as from the 1st May and until further notice, the Rate of Interest to be allowed be fixed at 3½% per annum.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of
 Ashbourne
 Mr. Grenfell
 Mr. Tunks
 Sir Charles Addis
 and
 The Comptroller

N/E

Letter in CT32.

Tuesday, the 25th April, 1922.

The proceedings of the last Committee were read and agreed.

With reference to the Minute of the Committee of the 15th March last the Governor read copy of a telegram dated the 25th March from Sir Norcot Warren to the Managing Governors of the Imperial Bank of India, and copy of a letter dated the 31st March from the Managing Governors to Sir Norcot Warren.

He stated that these were left with him by Sir Norcot Warren at whose request he had shown and discussed them in confidence with Mr. Howard of the India Office and that he in turn promised to discuss them with Sir Norcot Warren.

Meanwhile Mr. Howard, for his own part, favoured the ideal expressed in the 6th paragraph of the above letter while recognising the many constitutional difficulties which at present prevent its attainment. In Mr. Howard's opinion the only business which could without legislation (and subject of course to "matrimony") be transferred from the Bank of England to the Imperial Bank of India in London is —

1. The Rupee Stocks, and
2. The High Commissioner's accounts.

both of which are in theory conducted for the Government of India and not for the India Office.

The

25th April, 1922

The Governor mentioned -

N/E

Papers in CT 118

That Sir Charles Addis, on his return from the Genoa Conference, had given him a Report of the Financial Commission on whose recommendation the Conference had passed a Resolution requesting the Bank of England to summon forthwith a Meeting of Central Banks to discuss -

(1) The question of co-operation among Central Banks.

(2) The question of Central Banks urging upon their respective Governments the summoning of an International Monetary Conference to consider the Economic Reconstruction of the World.

He laid before the Committee a draft of the Private letter of invitation to be sent to the Governors or Presidents of Central Banks together with copy of a suggested agenda which the Committee discussed in detail and agreed in principle. A list of the Banks to be invited was also considered.

CT 98.

The Governor referred to the position of Messrs Portal vis-à-vis the Bank in view of the recommendations which he understood were likely to be made by the Committee on St. Luke's, and discussed at length the question of the Bank's moral obligation to Messrs. Portal on the establishment of their Overton Mill; the contract with the Inland Revenue and the future operations of their firm.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Grenfell
 Mr. Tinker
 Sir Charles Addis
 and
 The Comptroller

Wednesday, the 26th April, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend to the Court that C. J. Rose, a House Porter, be allowed to retire with a pension in view of continued ill-health.

The Committee again discussed the position of Messrs Portal vis-à-vis the Bank, and a Memorandum detailing their connection with the Bank since 1724 was laid before the Committee.

ct 98.

Present

The Deputy Governor
 Sir Gerard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Grenfell
 Mr. Tinker
 Sir Charles Addis
 Mr. Peacock
 and
 The Comptroller.

Wednesday, the 3rd May, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

Referring to a Minute of the Committee of the 15th March in regard to the rate of interest on Ways and Means Advances, it was agreed in view of the recent reduction in the Bank Rate to propose to the Treasury a reduction of $\frac{1}{2}\%$ in respect of advances in excess of £15,000,000, viz., from $3\frac{1}{2}\%$ to 3% .

It

3rd May, 1922

It was agreed to refer to the Court —

A Report of the Committee on Advances and Discounts, the usual Quarterly Report of the Audit Committee, together with a Minute of the Staff Committee recommending sundry appointments, etc.

Following on a recommendation of the Staff Committee it was agreed to recommend that W. R. Martin, a Senior Clerk in the Securities Office, be pensioned as detailed in a separate Minute.

It was agreed to recommend to the Court that permission to open drawing accounts be granted to the following Central Banks —

The Banque Nationale Suisse

The Sveriges Riksbank.

CT 98.
The Deputy Governor laid before the Committee a letter dated the 25th April that had been received from Messrs. Portal, together with a draft of a reply which the Committee approved in principle.

Present

The Deputy Governor
Sir Edward Hambro
Lord Revelstoke
Sir Charles Addis
Mr. Peacock
and
The Comptroller

Wednesday, the 10th May, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

Pursuant

10th May, 1922

Pursuant to a minute of the Committee of the 12th April, it was agreed to recommend that the resignation of L.M. Wilcoxon be accepted, and that he be allowed to commute his pension to enable him to take up farming in South Africa.

The Deputy Governor informed the Committee—

N/E.
Refer to CT 118.

That a copy of the Report adopted by the International Economic Conference at Genoa had now been received, and he submitted a revised draft of the private letter of invitation which the Committee approved.

With reference to the Banks to be invited to the Conference, the Committee felt it would be difficult to justify the exclusion of certain Banks enumerated in the original draft, and it was agreed to obtain the Governor's views by cable.

CT 98.

The Deputy Governor laid before the Committee further correspondence with Messrs Portal in which the re-consideration of the whole matter had been agreed to on the basis of complete freedom on both sides. In the meantime, at the request of Messrs Portal, the Treasury had been informed that the Bank had no objection to the negotiations between Messrs Portal and the Inland Revenue for the manufacture of Currency Note Paper being continued.

The Committee concurred.

Present

The Deputy Governor
 Sir Everard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Sir Charles Addis
 Mr. Peacock
 and
 The Comptroller

Wednesday, the 17th May, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend to the Court that Pensions be granted to S. F. Greville, a 2nd Class Clerk in the Accountant's Bank Note Office and G. J. Bunking, a Mechanic, formerly in the Printing Department, as detailed in a separate Minute.

On an application from the widow of W. H. Ske, a Pensioner, formerly a House Porter, it was agreed to grant her during pleasure, the usual allowance of £18 a year.

It was agreed to recommend that permission be granted to Lord Northcliffe, a customer of the Law Court's Branch, to use the Bank's vote in respect of shares in the Amalgamated Press, Ltd., pledged by him as security for possible advances and which are at the present time free from any lien.

PresentWednesday, the 24th May, 1922.

The Deputy Governor
 Sir Gerard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Grenfell
 and
 The Comptroller

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend to the Court that pensions be granted to Howard White of the Securities Office and to Dennis A. Neal, a 2nd Class Clerk in the Cashier's Department, as detailed in a separate Minute.

A Minute of the Staff Committee dated the 22nd instant recommending appointments, etc. was submitted and referred to the Court.

It was agreed to recommend to the Court that the Reserve Bank of Peru be allowed to open a Drawing Account with the Bank.

The result of the Election for Representatives of the Staff on the Advisory Council of Directors and Staff was reported and referred to the Court, and it was agreed that the nomination of Representatives for the Official side be deferred until the Governor's return.

Present

The Governor
 The Deputy Governor
 Sir Sverdrup Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Grenfell
 Mr. Tinker
 Sir Charles Adair
 and
 The Comptroller

CT 99.

N/E

Papers in CT 118

Tuesday, the 30th May, 1922.

The proceedings of the last Committee were read and agreed.

The Governor informed the Committee as to his visit to the United States, mentioning in particular Rate Policy and the relationship with the Federal Reserve System, and the political situation in America.

He read extracts from a Report of the Joint Commission of Agricultural Inquiry criticising the Rate Policy approved by the Federal Reserve Board and stated that under the present conditions in Washington it would not be wise to count on co-operation from New York in any further policy of Rate reduction.

He referred to the subject of Inter-Allied Debts and also to the proposed Conference of Central and Reserve Banks and to the attitude of Washington in relation thereto. He laid before the Committee a further Draft of the Letter of Invitation, together with a copy of the suggested Agenda, as amended in the United States. The Committee agreed to adopt the amended Letter of Invitation and Agenda as the basis on which they should be finally settled and, further, that the meeting should not be held before September.

Present

The Governor
 The Deputy Governor
 Sir Gerard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Grenfell
 Mr. Tinker
 Sir Charles Adie
 and
 The Comptroller

CT 99

Wednesday, the 31st May, 1922.

The proceedings of the last Committee were read and agreed.

It having been agreed that no alteration be recommended in the Bank Rate a discussion took place as to the policy to be adopted in regard to the transfer of Bank Notes to the Currency Note Reserve Account.

Referring to a Minute of the Committee of the 7th December last and having regard to the re-introduction of fortnightly settlements, the Governor stated that the Head Office and Branches were reverting to the pre-war practice of making Stock Exchange Advances for the fortnightly accounts, at such rates and with such margins as may from time to time be approved.

It was agreed to recommend that a pension be granted to J. J. Avery, a House Porter, as detailed in a separate Minute.

29 Present.

The Governor
The Deputy Governor
Lord Revelstoke
Mr Grenfell
Mr Starks
Sir Charles Addis
and
The Comptroller.

Wednesday, the 7th June, 1922.

The proceedings of the last Committee were read and agreed.

CT. 99.

The Governor raised the question of Bank Rate Policy in the immediate future and, after discussion, the matter was left over for further consideration next week. In the meantime it was agreed to recommend no alteration in the Rate.

It was agreed to recommend to the Court that the following be appointed to serve as Members of the Advisory Council of Directors and Staff for the current year—

Lord Revelstoke (Chairman),
Mr Trotter,
Mr Whitworth,
Sir Henry Babington Smith,
Mr Walker,
Mr Paice.

On an application from Denis A. Neal, late of the Securities Office, it was agreed to recommend that he be allowed to commute part of his pension to enable him to make his permanent home in New Zealand.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr Grenfell
 Mr Tinker
 Sir Charles Addison
 and
 The Comptroller

CT 99.

Wednesday, the 14th June, 1922.

The proceedings of the last Committee were read and agreed.

Further discussion took place on the general question of Bank Rate Policy, and it was agreed on the proposal of the Governor to recommend to the Court to-morrow that the Rate be reduced from 4 to $3\frac{1}{2}\%$.

The Governor stated that, in view of last week's expansion in Currency Note circulation, a transfer of Bank Notes to the Currency Note Account had been then urged on the Treasury who at the moment were unwilling to agree, mainly for the following reasons—

(1) The present increase may be merely an incident in the general and continuous decrease in the Currency Note circulation due to month-end and holiday requirements.

(2) The policy hitherto has been only to make such transfers when the circulation is increasing owing to other than the normal seasonal demands.

(3) Though the spirit of the Treasury Minute approves the gradual amalgamation of the two issues, apart from the above questions, such action at this moment would probably not be favoured by the Chancellor (who is out of Town) or by the Prime Minister, and the effect of again proclaiming the policy of deflation might indeed jeopardize the continuance of that policy.

(4) It is possible that in the Autumn gold may be withdrawn from the Bank for export and for this

reason

14th June, 1922

reason a high Bank reserve would be welcome, but

(5) The question is still being considered.

The Governor informed the Committee

(1) That he had now received the formal invitation from Genoa to summon a Meeting of Central Banks, and that he proposed to refer the matter to the Court and to take the necessary steps.

N/E
Paper in CBP/593.
7.7.118.

(2) That a letter had been received from the Corporation of London requesting the Bank, in view of the possible rebuilding, to receive a small deputation to submit suggestions for widening and improving the public ways around the Bank, and that he had referred the matter to the Rebuilding Committee.

(3) That Messrs. Deloitte had examined the Balance Sheet, dated the 25th February 1922, and that in their opinion it exhibited a correct view of the state of ^{the} affairs of the Banking Department and, further, that the Bank's liability for Income Tax for the nine fiscal years ended the 5th April last had been duly accounted for.

In view of the special appeal now being made on behalf of the Hospitals of London, it was agreed to recommend to the Court to grant a donation of £3000 to the Fund in Aid which has been opened at the Mansion House.

It

14th June, 1922.

It was agreed to refer to the Court the following Minutes of the Staff Committee -

- (1) Recommending the Election of 16 Probationary Clerks
- (2) Recommending appointments, etc.

Together with the usual Quarterly Report of that Committee; also the second Interim Report of the Special Committee on St. Luke's and the third Interim Report of the Rebuilding Committee.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr Grenfell
Mr Tunks
Sir Charles Addis
and
The Comptroller

Wednesday, the 21st June, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

On the proposal of the Governor it was agreed to recommend to the Court that a letter, of which the following is a draft, be addressed to the Chancellor of the Exchequer.

(See letter)

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr Grenfell
Mr Tunks
Sir Charles Addis
and
The Comptroller

Wednesday, the 28th June, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

28th June. 1922.

The usual letter from the Chancellor of the Exchequer applying for Advances during the ensuing Quarter was submitted and referred to the Court.

The Governor laid before the Committee a further draft of the suggested Agenda for the meetings proposed to be held in the Autumn of Central and Reserve Banks, and stated that he had submitted it to Dr. Vissering and to the Representatives of the Reichsbank and Riksbank who had expressed general approval, and that he now proposed to send a copy to Mr. Strong for his comments. The question of the various Banks to be invited was again discussed.

N/E.
Paper - CT 118

The Governor stated that, early in 1921 on the formation of the Nitrate Pool, he had made arrangements with a firm in Liverpool under which there was a moral obligation to allow them some rebate on the charge for interest to the Bank of Liverpool. The Pool is to come to an end on the 30th July, and he hoped to arrive at a settlement by a payment of £5,000.

Present

The Governor
Sir Edward Hambro
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Banks
Sir Charles Addis
and
The Comptroller

Wednesday, the 5th July, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

5th July, 1922

34

The Weekly Statement of Discounts and Advances granted to Bill Brokers etc. was read.

The Governor informed the Committee —

(1) That, in view of the improved position of the Louth Penny Bank, he hoped to obtain release of the Bank's Guarantee this year, provided no claim is made in respect of the interest which the Bank has paid.

CT. 34.

(2) That, in response to an enquiry from the National Bank of Greece, he had offered to make them an advance, as between one Central Bank and another, up to £1,000,000 against a deposit of gold.

(3) That he was desirous of marking in some special way the help and co-operation extended to the Bank during the War period by the Chairman and Committee of the Stock Exchange, and that he proposed to ask their acceptance of a piece of silver plate.

(4) That B. J. Westrop, a Probationary Clerk, had been dismissed the Service for theft of Currency Notes while working temporarily at the Leeds Branch, and that it would be necessary to ask the Court to authorise the amount of his defalcations, viz., £22, to be made good from the Clerks' Guarantee Fund.

The Governor laid before the Committee a comparative Statement of the costs of Management of British Government and other Stocks for the four half-years ending the 28th February, last, from which it appeared that, under the arrangement made with the Government last year, a profit of £22,737 is now shown for the past half-year on the Management of British Government Stocks.

On

5th July 1922

On an urgent appeal from the Dean and Chapter of St. Paul's Cathedral it was agreed to recommend the Court to make a donation of £1000 towards the Fund which has been formed for the preservation of the Cathedral.

Letters of resignation were laid before the Committee from Edward McCann of the Private Drawing Office who is 63 years of age and from Sidney H. Smith of the Accountant's Bank Note Office, who has been required to retire on attaining the age of 50, and it was agreed to recommend to the Court that they be granted pensions as detailed in a separate Minute.

Present

The Governor
The Deputy Governor
Sir Edward Hambro
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Jinks
Sir Charles Addis
and
The Comptroller CT 99.

Wednesday, the 12th July 1922.

The proceedings of the last Committee were read and agreed.

On the proposal of the Governor it was agreed to recommend to the Court that the Bank Rate be reduced tomorrow from $3\frac{1}{2}\%$ to 3% .

The Governor informed the Committee -

1. That he proposed to refer to the Court an application from Sir Robert Knidderley to continue as Chairman of Lazard Brothers & Company, Limited, and as Chairman of the Whitehall Trust, Limited. Also an application from Mr. Spencer-Smith to join the Board of the London Assurance.

With

12th July, 1922.

N/E

Papus m CT 32

With reference to previous Minutes of the Committee in regard to the Imperial Bank of India, the Governor laid before the Committee certain suggestions outlining the course which might eventually be adopted as the basis of an agreement between the Imperial Bank of India and the Bank, subject to statutory authority being obtained in regard to certain of the clauses.

On an application from the widow of Anthony Berry, a Pensioner, formerly a Cashier, it was agreed to grant her the usual allowance according to scale of £60 a year.

Present

The Governor
 Sir Gerard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Grenfell
 Mr. Janks
 Sir Charles Addis
 and
 The Comptroller

Wednesday, the 19th July, 1922

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That, at the request of The Electricity Commissioners whose consent was required to an issue of Capital by the County of London Electric Supply Co. Ltd., he had given certain advice in a letter which was laid before the Committee.

(2) That the question had been raised as to whether the Bank would be prepared at the Branches to resume discounting at fine rates for other than sole Customers and that in view of the position now occupied by the clearing Banks he had declined to entertain such business.

(3) That

19th July, 1922

(3) That the accounts of the Sports Club for the current year showed an estimated deficit of £840 and that he proposed to subsidise the Funds to the extent of 15/- for every 20/- of subscriptions received which will probably amount to about £750.

(4) That he had received a courteous letter from the President of the Reichsbank thanking the Bank for their sympathy on the death of Dr. Rathenau.

(5) That it was possible he might be asked to proceed to Washington in September in connection with the question of funding the debt due by this country to America, and that a postponement of the Meeting of Central Banks would in that event seem to be inadvisable.

(6) That he proposed to refer to the Court an application from Mr. Booth to continue as a Director of certain Companies controlled by his Firm.

On an application from the Widow of B. H. Fowler late of the Dividend Accounts Office, it was agreed to grant her, during pleasure and according to scale, an Allowance of £40 a year.

Present

The Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Grenfell
 Mr. Tunks
 Sir Charles Addis
 and
 The Comptroller

CT 51

CT 113.02.

Monday, the 24th July, 1922.

The Governor referred to the confidential letter from the Treasury regarding pre-moratorium Bills dated 28th December, 1921, and informed the Committee in this connection that:

1. Messrs. Klenivort had repaid their debt.
2. The position of Messrs. W. Ladenburg & Co. was such that liquidation seemed their only possible course after maturity of their debt on the 31st August next.
3. An advance would be made to Messrs. A. Ruffer & Sons - sole and valued customers - according to their own estimate of their needs.
4. An Advance of perhaps £300,000 would also be made to the London Merchant Bank - on figures now being prepared by their Auditors.
5. The position of Messrs. Frederick Huth & Co. appeared from an examination by Messrs. Deloitte to be such as to require support not only for
 1. pre-moratorium Bills, but also for
 2. subsequent transactions (without any Government guarantee)

CT 134

He proposed therefore to try and arrange to make these advances to the existing partners and deceased partners estate so as to care for both classes of liabilities; each class might require at least £750,000, and would necessarily be deferred to current liabilities and to any new capital which might be introduced by or with the co-operation (if possible) of Messrs. König Brothers.

CT 134

Present

The Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Greyfell
Mr. Diarks
Sir Charles Addis
and
The Comptrolers

Wednesday, the 26th July, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That with reference to the French Credit which falls due for repayment by September 1923 he had received a letter from the Bank of France stating that they would probably be in a position to make repayment in due course.

(2) That as regards the rate of Interest on Ways and Means Advances he had arranged as from the 17th July to charge interest as follows: -

On the 1st \$5,000,000 outstanding at the rate of 1%
 " " 2nd " " " " " " " " 2%
 " " balance outstanding over \$10,000,000 " " 2½%

These terms to be reconsidered in the event of any change being made in the Bank Rate and in any case not later than the 28th February, 1923.

(3) That he proposed to refer to the Committee on St. Lutz's a letter received from Messrs. Portals dated the 21st July, on the question of compensation in connection with the erection of their Overton Mill.

(4) That while Mr. Spencer-Smith finds it necessary to absent himself on Bank business in connection with the Anglo-Austrian Bank he proposed to excuse his attendance at the weekly Court.

(5) That in respect of services rendered to the Bank in connection with the Borneo Company, he proposed to ask Mr. Jamieson's acceptance of a cheque for £1000.

(b) That

26th July, 1922

CT. 134

(6) That with further reference to the position of Messrs. Fredericks Huth and Company he laid before the Committee a letter from Mr. F. A. König dated the 22nd instant.

(7) That Mr. Hornsby, Governor of the National Bank of Egypt, had discussed with him on the 25th instant various questions which had been left over for some time past including:

- (1) The charge for the custody of their gold held by the Bank as the result of arrangements made during the War.
- (2) The place in which their gold was to be held in the future.
- (3) The question of exclusive arrangements between the two Banks, commonly called "matrimony."

As regards (1), a reduction had been made to a nominal figure of £5000 with which Mr Hornsby expressed himself entirely satisfied.

As regards (2), this question was left over for two or three months as the views of the Egyptian Government had not yet been ascertained.

As regards (3), Mr Hornsby expressed himself entirely in favour of "matrimony" and promised to urge the necessary changes on his Directors and to discuss the matter again in two or three months time.

He had given Mr Hornsby a confidential draft of the Agenda for the Meeting of Central Banks and had also pointed out ^{that} the needs of London as a Gold Centre could only be met by the Maintenance there of large free balances especially by the Central Banks of other Countries.

(8) That it had come to his knowledge that the Public Trustee had usually employed several Brokers in connection with the sale of Enemy Securities held at the Law Courts Branch of a Public Trustee. This business he considered

should

26th July, 1922

should properly be carried out through the Bank and the Government Broker, a course which he was suggesting to the Public Trustee.

It was agreed to recommend to the Court that a Pension be granted to W.R. Adams, a Cashier, on his attaining the age of 65 as detailed in a separate Minute.

With reference to a question of additional remuneration to the Staff which had been discussed at a recent Meeting of the Advisory Council, Lord Revelstoke, the Chairman, informed the Committee that at an early date a decision was needed and this it was agreed to refer to the Deputy Governor on his return next week.

Present

The Governor
The Deputy Governor
Sir Gerard Hambro
Lord Cullen of Ashbourne
Mr. Jukes
Sir Charles Addis
Mr. Peacock
and
The Comptroller

Wednesday, the 2nd August, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, owing to the large increase in the Staff of the Bank, it seemed wise to enlarge the Pavilion at

the

2nd August, 1922

the Sports Club and it was proposed to spend about £7000 on increasing the accommodation.

(2) That the number of Bank Note Forgeries, the origin of which had been traced to Eastern Europe, had been steadily increasing, and in this connection his attention had been drawn to an improper article in Reynolds' Newspaper which he had referred to Messrs. Freshfields for action.

CT. 84.02

(3) That the Bank of Italy had asked to be furnished with specimen Bank of England Notes, and he thought that although contrary to old custom it was now in the interests of the Bank at all times to comply with such a request in the case of Central Banks.

(4) That Barclays Bank desired to dispose of the remainder of their lease of the Bank's freehold premises in Pinces Street. The lease expires in 1926, and he thought that, in view of the rebuilding of the Bank and the possible need for additional accommodation, it would be advisable to secure possession of these premises. The premium asked is £15000.

N/E.

Referred in CT 118.

(5) That he had now received approval from America to the Draft of the Agenda for the proposed meeting of Central and Reserve Banks; further that, in view of the possibility of the debt from this Country to America being discussed in Washington early in October, the date of the meeting of Central Banks could not yet be settled.

He again referred to the list of Banks to be invited, especially as to the inclusion of the Bank of Java, the Bank of Brazil and the National Bank of Argentina, and this matter was left over for further discussion.

Present

The Governor
 The Deputy Governor
 Sir Gerard Hambro
 Mr. Grenfell
 Mr. Tunks
 Sir Charles Addis
 Mr. Peacock
 and
 The Comptroller.

Wednesday, the 9th August, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc., was read.

It was agreed that no alteration be recommended in the Bank Rate.

With reference to the Minute of the 26th July on the question of additional remuneration to the Staff, it was agreed to recommend to the Court, as a temporary measure and pending further consideration as to the use of the "Labour Gazette" cost of living figure for the purpose of determining the existing sliding scale Bonus paid to the Staff of the Bank, that for the two quarters commencing the 1st September and the 1st December next 4% be added to the Bonus percentage payable in accordance with the existing scale.

Present

The Deputy Governor
 Sir Gerard Hambro
 Lord Cullen of Aulbourne
 Mr. Grenfell
 Mr. Tunks
 Mr. Peacock
 and
 The Comptroller

Wednesday, the 16th August, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

It was agreed that no alteration be recommended in the Bank Rate.

The

16th August, 1922.

44

The following Minute and Reports of the Staff Committee were referred to the Court -

- (1) Minute recommending appointments, etc.
- (2) Quarterly Report with "Overs & Shorts".
- (3) Report recommending the election of 23 Probationary Clerks to the Permanent Staff.

It was agreed to recommend to the Court that a Pension be granted to Charles Newnham, a Bullion Porter.

The Deputy Governor reported that he proposed to refer to the Court an application from Sir Henry Babington Smith to join the Board of the Crampian Electricity Supply Company.

Present

The Deputy Governor
Sir Samuel Hambro
Lord Cullen of Ashbourne
Mr. Peacock
and
The Comptroller

Wednesday, the 23rd August, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of discounts and advances granted to Bill Brokers, etc. was read.

It was agreed that no alteration be recommended in the Bank Rate.

With reference to the Minute of the 5th July last recording the hope that in view of the improved position of the Yorkshire Penny Bank the Bank would obtain release of their guarantee this year, provided no claim is made in respect

23rd August. 1922

respect of the interest which the Bank has paid, the Deputy Governor informed the Committee that the Government guarantee would terminate on the 1st September and the Yorkshire Penny Bank have offered to release the guaranteeing Banks on the 31st instant and it was agreed to recommend the Court to accept this offer.

It was agreed to recommend to the Court that a pension be granted to Frederick R. Runsey, a Supernumerary 1st Class Clerk in the Dividend Pay Office, as detailed in a separate Minute.

A Minute of the Staff Committee recommending that an amount of £1000 which had been credited to Bad Debt Reserve be now re-credited to Profit and Loss was submitted and referred to the Court.

Present

The Deputy Governor
Sir Edward Hambro
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Peacock
and
The Comptroller.

Wednesday, the 30th August, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, &c. was read.

An application from the London Orphan School and Royal British Orphan School for a donation was declined.

The

30th August, 1922

The accounts of St. Luke's, the Refinery and the Works Department for the half-year ended the 30th June last were submitted and referred to the Court.

The Deputy Governor informed the Committee:-

(1) That the estimated surplus profits for the half-year ending the 31st August, after providing a dividend, amounted to £1,585,000 and that it was proposed to employ £328,000 of this surplus in writing down securities etc. and to carry the balance to Suspense Account No. 1.

CT. 34. (2) That with reference to a Minute of the 5th July last, he expected the proposed loan of £1,000,000 to the National Bank of Greece to be made shortly.

Present

The Deputy Governor
Sir Francis Hambro
Lord Cullen of Ashbourne
Mr Greyfell
Mr Peacock
and
The Comptroller

Wednesday, the 6th September, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc., was read.

The Deputy Governor informed the Committee:-

(1) That, with reference to a Minute of the 12th July last Sir Norcott Warren had handed him a copy of a letter from Sir Robert Aitken stating that Sir Bernard Hunter and himself fully approved of the suggested arrangements

N/E

Letter in CT. 32

6th September, 1922

arrangements and that it was proposed to defer further action until the Governor's return.

(2) That the Bank of Japan had raised the question of the rate allowed on money employed by the Bank on their account and they were considering a possible purchase of short dated Government Securities.

(3) That the Bank have since 1903 treated Transvaal Government Loans as Government Securities as regards the stamp duty on Powers of Attorney, and consequently Powers have since been issued by the Bank insufficiently stamped. The Inland Revenue are prepared to waive any claim for penalties, but require the Bank to make good the loss of stamp duty amounting to between £800 and £1000, to which payment it is proposed to agree.

(4) That on the 2nd September the Bank of France had repaid £4,000,000 on account of their credit of £65,000,000.

Present

The Deputy Governor
Sir Everard Hambro
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Peacock
and
The Comptroller.

Wednesday, the 13th September, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

The

13th September, 1922

48

The Deputy Governor informed the Committee -

(1) That a tentative offer of a further 5,500 feet floor space at 16, Finsbury Circus had been made, the rental asked being £4,200 per annum, and he thought that it would be advisable to acquire this accommodation if satisfactory terms could be arranged.

(2) That he had been informed unofficially that the Bank of France would repay a further £2,000,000 of the credit on September 20th, The remaining Bills falling due this year were £2,000,000 on October 11th and £2,000,000 on November 12th - after which there was no maturity until May 1923.

(3) That he proposed that the Bank should make a grant not exceeding £250 to supplement the subscriptions received by the Britannia Athletic Association for the next year for the upkeep of the Sports Ground at Foston Park; and that it was also proposed to do certain draining work, for which estimates were being obtained.

It was agreed to refer to the Court a Minute of the Staff Committee recommending appointments, etc. together with the usual Quarterly Report of that Committee; also a Report of the Rebuilding Committee.

Letters of resignation were laid before

the

13th September, 1922

the Committee from Geoffrey Butler, of the Private Drawing Office and Florence M. L. Marshall, a Woman Clerk, and it was agreed to recommend to the Court that they be granted pensions as detailed in a separate Minute.

The Chief Accountant attended the Committee and produced accounts of the Bank for the past half-year. It was agreed to recommend to the Court that a half-year's dividend of interest and profits be made on the 5th October next of 5½ per cent, less Income Tax.

Present

The Deputy Governor
Lord Cullen of Astbourne
Mr. Grenfell
Mr. Peacock
and
The Comptroller

Wednesday, the 20th September, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers &c. was read.

Referring to a Meeting held on Friday the 15th instant, at which those members of the Committee who were in London were present, and at which after considering a letter from Sir John Bradbury it was agreed in principle that certain advances might be made to the Reichsbank against gold, on the basis of a

purely

20th September, 1922

purely banking transaction as between Central Banks,

The Deputy Governor informed the Committee -

(1) That Lord Cullen and himself had had a prolonged interview with President Havenstein on Saturday, the 16th instant, at which it was agreed that -

If requested by the Reichsbank to do so, the Bank of England would agree to make advances to them between February and June 1923 at Bank Rate varying up to, say, £10,000,000 sterling payable in London against the security of a deposit of Gold of equal amount lodged with the Bank of England. Such advances, if any, to be repaid as to one-half within six months and as to the other half within twelve months of the date when the advance is made.

The arrangement to be regarded as of a purely private nature as between Central Banks concerning which no public announcement should be made.

(2) That he had received a visit from Monsieur Omer Lepreux, Vice Governor of the National Bank of Belgium, to whom he had handed in confidence the latest agenda for the proposed meeting of Central Banks. Monsieur Lepreux stated that he was in agreement with the recommendations but hoped to have an opportunity of discussing them with the Governor in December, when he would again be in London.

(3) That Arthur Watkin, Principal of the Private

Drawing

20th September, 1922.

Drawing Office, had expressed a wish to retire on the 31st December next, he having attained the age of 60 on the 15th June last.

In consideration of the fact that Mr Watkin during his long service of 41 years, has never been absent a single day through sickness, the Committee agreed in principle that the actual date of his retirement be extended to the 28th February 1923 and that he be allowed leave on full pay from the 30th November next, or such earlier date as may be convenient to the Bank, and a pension granted him as from the 28th February according to scale.

It was agreed to recommend to the Court that a pension be granted to E. J. Drummond, of the Bill Office as detailed in a separate minute.

Present

The Governor
The Deputy Governor
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Tinker
Mr. Peacock
and
The Comptroller

Wednesday, the 27th September, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc., was read.

The Governor informed the Committee

(1) That the Bank of France had now asked

for

27th September, 1922

the return of £2,000,000 Gold held as security under the agreement of the 25th April 1916, as £6,000,000 of the credit had been repaid; and that arrangements would be made for the release of the above Gold and of any further similar amounts.

(2) That a copy of a cable had been received from the Colonial Office stating that the Union Government of South Africa, having passed legislation under which the export of Gold had been freed from Government control, were no longer concerned with any arrangement between the Gold producers and the Bank of England, and that the producers had expressed the view that their interests would best be served if the output were freed from all restrictions as to destination and conditions of sale. Further, that the Deputy Governor had had a visit from Sir Lionel Phillips, who suggested some modification of the agreement, as otherwise he feared there might be agitation to rescind the agreement, which for himself he would like to see continued.

It was agreed that the Governor should see Sir Lionel Phillips and as a temporary expedient suggest the termination of the agreement, the Bank being prepared to re-enter into the same agreement within a period to be agreed.

(3) That a letter had been received from the National Bank of Belgium asking on what terms and to what extent the German 6 months Treasury Notes to be handed to the Reparation Commission could be discounted on the London Market, and that he proposed to reply that no ready market was probable but that in the event of the National Bank of Belgium requiring advances against such Notes a banking arrangement might be come to as
between

27th September. 1922

between the two Central Banks; in which case he would suggest a representative should be sent over to discuss the matter.

(4) That, as a result of repayments on account of the French Credit, the Bank's "other securities" would shortly show a decrease of £10,000,000, and it was a question for consideration as to the figure at which "other securities" should be maintained in the published statement.

The usual letter from the Chancellor of the Exchequer applying for advances during the ensuing quarter was submitted and referred to the Court.

The Governor consulted the Committee with reference to a Special Meeting of the Committee on the 30th August, at which Lord Cullen had read a letter to the Governor from the Deputy Governor stating that in his opinion it would be in the best interests of the Bank and the Country if the Governor would consent to serve for a further term; and that in such event, owing to private affairs he would reluctantly ask to be allowed to give up the duties of Deputy Governor from April next. The Committee noted with great regret the Deputy Governor's wish to retire at the end of his present period of office, but expressed the hope that an opportunity might arise of utilising the great experience of the Bank's affairs which Mr. Trotter had acquired during his arduous and successful occupation of the Deputy Governor's chair.

The Committee further recommended that
this

27th September, 1922

this minute be read to the Court and that, subject to any opinion that might then be expressed, Mr. Lubbock be requested to commence forthwith attending the Meetings of the Committee of Treasury.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Grenfell
Mr. Hanks
Mr. Peacock
Mr. Lubbock attended
by invitation.

Wednesday, the 4th October, 1922

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers etc. was read.

The Governor informed the Committee —

(1) That he had duly read the Committee's Minute of the 27th ultimo to the Court, by whom it had been received without comment and with apparent approval; and that he had likewise explained his intention of leaving for Washington on the 18th instant.

(2) That, with reference to last week's Minutes, he had discussed with Sir Lionel Phillips the question of the Agreement between the Gold Producers and the Bank, and that Sir Lionel had agreed that the matter should be held over until the end of the year with the idea that some concession might then possibly be made to relieve the growing political pressure.

(3) That

4th October, 1922.

(3) That it had come to his knowledge that the German Treasury Notes given to Belgium were expressed to be payable in London at the Bank of England and had already been discounted by Swiss Bankers. This was contrary to the arrangement made with President Havenstein, but at the suggestion of Sir John Bradbury, who had taken the matter up with the Belgian Government, he did not propose to take any action at present.

Referring to Minutes of the Committee of the 12th July and 6th September, the Imperial Bank of India having approved the informal "suggestions", it was agreed to recommend the Court of Directors similarly to express their approval in a letter to the Imperial Bank of India, embodying the "suggestions" as a whole.

It was agreed to decline an application for a donation to a monument which is being raised by the Soldiers of France in the Forest of Compiègne.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Tunks
Mr. Peacock
Mr. Lubbock attended by
invitation.

Wednesday, the 11th October, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

Referring

N/E
Paper in CT 32.

11th October, 1922

CT 98

Referring to previous Minutes of the Committee in regard to Messrs. Portal, the Governor submitted certain "suggestions" which he thought might form the basis of an Agreement, in continuation of the arrangement of July 1920, to be entered into between Messrs Portal and the Bank and lead to a settlement as well as a better understanding between both parties.

He stated that Messrs Portal had already expressed their general concurrence in the principles involved.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashburnham
Mr. Jukes
Mr. Peacock
Mr. Lubbock attended
by invitation

Wednesday, the 18th October, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee —

(1) That Mr. Grenfell had tendered his resignation as a Member of the Committee of Treasury and that he proposed with regret to so inform the Court to-morrow and, assuming his resignation to be accepted, to ask the Court to elect by ballot another Member next week to fill the vacancy thus created.

It was agreed that Mr. Grenfell be invited to attend the Meetings of the Committee until April next.

(2) That

18th October, 1922.

(2) That he had received a letter from Sir John Bradbury, stating that the German Treasury Bills issued for the Belgian Government this month were expressed to be payable in Brussels at the National Bank of Belgium.

(3) That he had had an informal visit from Mons. Avenol on the subject of repayment by the Bank of France of the Bills maturing next year under the French Credit, and he read to the Committee a memorandum of his conversation with Mons. Avenol.

(4) That, in regard to the proposed formation of a Central Reference Library in the Bank, the suggestion had been made to transfer thereto certain books and papers in the directors' library of a statistical nature; and it was left to the Deputy Governor to take such steps as he might think necessary to carry this into effect.

The Committee discussed the scheme of the League of Nations for the rehabilitation of Austria and considered whether, subject to the approval of H. M. Government, the Bank would be willing to act as Trustee for and make an issue of the proposed International loan, and further consideration was postponed.

It was agreed to refer to the Court the following Minutes of the Staff Committee -

- (1) Recommending appointments, etc.
 - (2) Recommending the election to the Permanent Staff of 21 Probationary Clerks,
- together with the usual Quarterly Report of that Committee; also the final Report of the Special Committee on St. Luke's.

It was

18th October, 1922

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It was agreed to recommend to the Court that a donation of 100 guineas ^{be made} to the Reedham Orphanage.

On an application from the widow of W. E. Tibbells, a Pensioner, it was agreed to grant her the usual allowance, according to scale, of £60 a year.

Present

The Governor
The Deputy Governor
Sir Bernard Hambro
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Peacock
Mr. Lubbock attended
by invitation

Wednesday, the 25th October, 1922

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That owing to uncertainties affecting the scheme for the rehabilitation of Austria, referred to last week, he was not in a position to proceed further with the matter at present.

It was agreed to recommend to the Court that the Gift, which was granted in December 1920 for a period of 2 years to certain Pensioners and widows of former Clerks, be continued until the amount which was set apart for the purpose had been exhausted, as fully detailed in a separate Minute.

It is estimated that the amount available would be sufficient to enable the Gift to be continued for another year.

On

25th October, 1922.

On an application from the Royal Westminster Ophthalmic Hospital, it was agreed to recommend that a special donation of ~~£50.~~ ^{£50.} be made to the Funds of the Hospital for services rendered to certain employees of the Bank during the past year - the Hospital to be informed that, as the Bank already have definite arrangements with two Women's Hospitals and Guy's Hospital for the treatment of members of their Staff, no further donation must be expected from the Bank next year.

Present

A full Committee and
The Comptroller.
Mr. Grenfell attended by
invitation

Wednesday, the 1st November, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That he had received a letter from the Lithuanian Chargé d'affaires stating that his Government was prepared to discuss the suggestion for the establishment of a Central Bank in conjunction with the other two Baltic States - Latvia and Estonia - and that in order to further co-operation among Central Banks he proposed to assist such a scheme as far as possible.

(2) That, for the same reason, he was negotiating with the National Bank of Egypt as to the establishment of closer relations with the Bank.

(3) That

1st November, 1922

(3) That in continuation of previous Minutes of the 27th September and 4th October, he proposed to offer to free the South African gold producers from such restrictions under their Agreement with the Bank as precluded them from shipping gold elsewhere than to London.

(4) That, with reference to the Minutes of the Committee of the 7th and 21st December 1921 in connection with "Lapsed Issues", he proposed to re-open the matter and, with the view of assisting the future amalgamation of the Currency with the Bank Note Issue, to suggest that any increase in the Bank's Fiduciary Issue should be transferred to the Currency Note Redemption Account.

A letter of resignation was laid before the Committee from Thomas Macdonnell of the Issue Office, who is over 60 years of age, and it was agreed to recommend to the Court that he be granted a pension, as detailed in a separate Minute.

It was agreed to refer to the Court the Quarterly Report of the Audit Committee.

Present

A full Committee
and the Comptroller.
Mr. Grenfell attended
by invitation.

Wednesday, the 8th November, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee —

1. That

8th November, 1922~~L74~~
CT 113.02

(1) That at his request the Discount Committee had considered the policy of the Bank in regard to Renewal and Finance Bills and in recommending the continuance of the present policy of discounting such Bills had suggested that the definition of a Finance Bill should be made clear to the Court. He proposed for consideration the following ^{provisional} definition -

Any Bill not drawn (1) against goods or merchandise either sold or intended for sale, nor

- (2) (a) in anticipation of sale or shipment of goods or merchandise, nor (b) for the purpose of remittance; in accordance with the usage or custom in the place where the Bill is drawn,

is a Finance Bill.

(2) That an amount of £433 15% War Stock held by J. S. Gelderd, a collier of Sunderland, had been sold under four forged Powers of Attorney by Mrs. Kirkwood, his mother, whilst he was on Active Service. Gelderd's Solicitors have applied to the Bank to replace the Stock and Dividends and on the advice of Counsel he had instructed Messrs. Freshfields to take proceedings against Mrs. Kirkwood in the matter.

(3) That, without the knowledge of the Bank, an alteration had been made in the numbering of the 10/- Currency Notes and that as a result several arrests had been made for passing such Notes as supposed forgeries and incidentally the Bank's cancelling machines had been rendered ineffective.

(4) That he had received with much regret a letter from Mr. Johnston in which, in view of his state of health, he offered to retire now from the Court instead of waiting until April next, and he proposed to ask Mr. Johnston to leave over the question for the present.

Referring

8th November, 1922

Referring to the Minute of the Committee of the 27th September last in regard to the selection of Governors for the ensuing year it was agreed to recommend to the Court that the Governor be invited to continue to serve in his Office for a further year and that the proceedings for the selection of the Deputy Governor be carried out in accordance with the Orders of the Court of the 30th November 1848 and 21st February 1918.

It was agreed to refer to the Court a Report of the Committee on Advances and Discounts recommending alterations in the grading of certain discounts together with a Report of the Rebuilding Committee with draft of a letter to the Corporation of London.

A Memorandum was read to the Committee on the case of W. H. Gibson, a Pensioner, late a Bank Note Stamper, who for many years before and after being pensioned had been employed as a Clerk at the Bank Luncheon Club, and it was agreed to grant him, in view of all the circumstances, a sum of £200 by way of gratuity.

Present

a full committee and
the comptroller.

Wednesday, the 15th November, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor mentioned—

(1) That

15th November, 1922.

(1) That, in connection with the Securities standing in the name of the Governor and Company of the Bank as Trustees for the sinking funds of certain Indian Railways, which at present prices consist generally of equal amounts of Irredeemable British and Indian Stocks, he wished to have the views of the Committee on the following points, viz.,

As to the desirability or otherwise—

- (a) of replacing the British Securities now held by Indian Securities with a consequent increase of income, and
- (b) of holding as far as possible Securities which are redeemable on or about the date when the annuities fall due,

and, after discussion, it was agreed that, while (b) was desirable, in view of all the circumstances it was not considered advisable to take any action at the present time.

(2) That a further sum of £50,000 had been paid on account of the Bank's subscription to the capital of the Anglo-Austrian Bank in addition to the £250,000 already authorised and it was agreed to recommend to the Court that this amount be increased to £300,000.

1744.
CT 113.02

Following on the Minutes of last week, further discussion took place on the subject of Finance and Renewal Bills and it was agreed to recommend to the Court that the policy of discrimination against such Bills be continued.

It was agreed to refer to the Court the following Minutes of the Staff Committee—

- (1) Recommending Appointments, etc.,
- (2) Recommending the election of 15 Probationary clerks to the Permanent Staff.

It was agreed, as a special case, to grant a donation of 50 guineas to the Printers' Pension, Almshouses and Orphan Asylum Corporation as from the Printing Works, it being understood that such donation is not to be looked upon as an annual contribution by the Bank.

Present.

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Bullen of Ashbourne
 Mr Marks
 Sir Charles Riddis
 Mr Pascoe
 Mr Lubbock
 and
 The Comptroller
 Mr Grenfell attended
 by invitation.

Wednesday, the 22nd November, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That, in the event of the Stock Exchange deciding to oppose a continuance of the present practice of sharing brokerage with the Banks, he proposed to support the clearing Bankers in any action they may decide to take in the matter.

CT. 85.

Office File

(2) That, with reference to the Minutes of the Committee of the 7th December last, he proposed that a further gift of £1,000 be made to Mr Bark for his services on behalf of the Bank in connection with the Anglo-Austrian Bank.

(3) That, by invitation of the new Chancellor, he proposed to leave for Washington on the 27th December.

(4) That, with reference to previous Minutes, efforts were being made to obtain advances against six months' Austrian Treasury Bills secured mainly on customs and Tobacco Duties, but he had declined to give assistance under present conditions.

A letter was submitted from the Authorities of the British Museum in regard to the disposal of duplicate coins and medals in the Bank's collection, which in 1877

was

22nd November, 1922.

was presented to the Museum in trust for the Nation, and it was agreed to recommend the Court to accede to the request of the Museum Authorities, as fully detailed in a separate Minute.

It was agreed to recommend to the Court that a pension be granted to Mr Arthur Watkin, Principal of the Private Drawing Office, on the lines approved by the Committee on the 20th September last and as detailed in a separate Minute.

It was agreed to refer to the Court a Report of the Re-building Committee in regard to the Churchyard of St. Christopher-le-Stocks, and to decline an application for a donation on behalf of the Orphan Working School and Alexandra Orphanage.

Present.

a full committee and
the comptroller.
Mr. Grenfell attended
by invitation.

Wednesday, the 29th November, 1922.

The proceedings of the last committee were
read and agreed.

It was agreed that no alteration be
recommended in the Bank Rate.

The Governor informed the Committee -

That an appeal was about to be made by the Bishop
of Stepney for the necessary restoration of St. Margaret's
Church, Lothbury. It is estimated that about £7,000 will be
required to carry out the necessary work, and it was agreed,
in view of the parochial connection between St. Margaret's
and the Bank, to contribute a sum not exceeding £1,000.

The resignation on account of ill-health
of Joshua Harris, a mechanic in the Printing Department,
was submitted, and it was agreed to recommend that he
be granted a pension as detailed in a separate Minute.

It was agreed to refer to the Court a
Minute of the Staff Committee with revised Regulations
for the Management of the Country Branches.

On

29th November, 1922.

On an application from the widow of E. W. Hanford, a pensioner late of the Dividend Office, it was agreed to grant her, during pleasure, an allowance according to scale of £51 a year, and her request for an additional allowance for a period not exceeding 3 years to assist her in the education of her son was deferred pending further particulars.

Present

The Governor
 The Deputy Governor
 Sir Einar Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Järnkens
 Sir Charles Addis
 Mr. Lubbock
 and
 The Comptroller
 Mr. Grenfell attended by
 invitation.

Wednesday, the 6th December, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That, in connection with any issue made, necessarily through the Bank, under the Trades Facilities Act for the relief of unemployment, he thought it would be expedient to undertake such issue for a nominal charge.

(2) That he had expressed his willingness to assist generally in any scheme for the economic establishment of the City of Danzig, with a view to its enjoying the advantages of a Free State under the League of Nations.

(3) That he proposed to pay £25 towards the cost of bringing the record of Payments and Receipts of the Westminster Abbey Fund up to date.

(4) That

6th December, 1922.

(4) That additional floor space had been leased from the Anglo-Mexican Petroleum Co. Ltd. at 16, Finsbury Circus, which, together with the Bank's leasehold premises, 18 Finsbury Circus, and the adjoining premises in Eldon Street, provided ample accommodation for all the Stocks at present managed by the Bank and allowed for a certain amount ^{expansion of} of both "Book" Stocks and "Deed" Stocks.

On an application from the Agent at Liverpool it was agreed, as a special case, to grant a donation of £100 to the University of Liverpool on the understanding that the Bank's name is not mentioned; and to decline an application for a donation on behalf of the Royal Agricultural Show to be held at Newcastle next year.

A letter of resignation was laid before the Committee from Mr. Reginald W. Craigie, a Cashier, and it was agreed to recommend that he be granted a pension as from the 28th February next, as detailed in a separate Minute.

On an application from the widow of E. C. Fletcher, a Pensioner formerly of the Private Drawing Office, it was agreed to grant her, during pleasure, a scale allowance of £50 per annum.

Present

The Governor
The Deputy Governor
Sir Gerard Hambro
Lord Cullen of Ashbourne
Mr. Danks
Sir Charles Addis
Mr. Lubbock
and
The Comptroller.

Wednesday, the 13th December, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

13th December, 1922

The Governor informed the Committee—

(1) That, at his request and in order to further co-operation among Central Banks, Lord Cullen, as representative of the Bank had been invited to join the London Committee of the National Bank of Egypt, and it was agreed to recommend to the Court that he be requested to accept that position.

(2) That, in connection with the Scheme of the League of Nations for the re-habilitation of Austria, he was endeavouring to persuade the National Bank of Belgium to allow Mr. Janssen to accept the position of President of the new Austrian National Bank.

Further, that with reference to the question of advances against Austrian Treasury Bills, he had declined to give assistance except as a Banking credit secured by the deposit of gold.

(3) That, although contrary to custom, he had felt constrained to discount a six months' Trade Bill for Messrs. Rortledge, sole customers of the Bank: a course which he thought should always be adopted in the case of sole customers.

C. 77.

(4) That, in connection with the forthcoming issue of Shares by the Union Castle Mail Steamship Company, the name of Messrs. Mullens & Co. would appear in the prospectus as having entered into a Contract for underwriting a previous issue of Debenture Stock, made prior to the definite arrangement entered into between the Bank and Messrs. Mullens in March last.

With

13th December, 1922

With reference to Mrs. Hanford's application for an additional allowance to assist her in the education of her son, which was before the Committee on the 29th ultimo, it was agreed, as a special case, to grant her an allowance for a period not exceeding three years and until her son attains the age of 18 as follows, viz: -

£70 for the first year
 £60 - - second year, and
 £50 - - third year.

In view of the increased circulation of Bank of England Notes, etc., it was agreed to recommend to the Court that the cypher on the £5 and £10 Notes should in future contain a number up to three instead of two digits in order to permit the cyphers to be numbered serially beyond 99, as detailed in a separate Minute.

A Minute of the Staff Committee recommending appointments, together with the usual Quarterly Report of that Committee, was submitted and referred to the Court.

It was agreed to decline an application for a donation on behalf of the Greater London Fund for the Blind.

Present

The Governor
 The Deputy Governor
 Lord Cullen of Ashburnham
 Mr. Lubbock
 Mr. Tinker
 Sir Charles Addison
 Mr. Peacock
 and
 The Comptroller
 Mr. Grenfell attended
 by invitation.

Wednesday, the 20th December, 1922.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

20th December, 1922

The Governor informed the Committee -

(1) That, following on last week's Minutes, Mr. Janssen had definitely refused to accept the position of President of the new Austrian National Bank and that an invitation was likely to be made to a Swiss Banker.

(2) That he thought it would be mutually advantageous for representatives of the Bank's Staff to visit the Federal Reserve Bank in New York and also the Reichsbank with a view to a clearer understanding of matters of detail between the respective Banks.

The Committee concurred.

(3) That, with reference to a Minute of the Committee of the 24th July in regard to special advances to be made to repay advances on pre-Moratorium Bills, the position was now as follows: -

Messrs. Ruffer, the London Merchant Bank and Messrs. A. H. Brandt & Co. had each repaid a small portion of their advances.

Messrs. Pinto Leite & Nephews, owing to the unwillingness of a third party to pay them, had as yet not been able to repay anything, and that

Owing to technical difficulties, Messrs. J. Huth & Co. continued in a position of great uncertainty.

(4) That, with reference to a Minute of the Committee of the 1st November, H. M. Treasury had agreed

to

CT 51
CT 113.02

CT 134

20th December, 1922

To consider favourably an increase of the Fiduciary Issue in respect of Lapsed Issues, and it was agreed to recommend to the Court that the usual Memorial to the King in Council in regard thereto be sealed.

The usual letter from the Chancellor of the Exchequer applying for advances during the ensuing Quarter was submitted and referred to the Court.

It was agreed to refer to the Court Minutes of the Staff Committee

- (1) Recommending appointments, and
- (2) Recommending the adoption of revised Regulations for the Management of the London Branches.

CT98

With reference to previous Minutes in regard to Messrs. Portal, it was agreed to concur in a Minute of the St. Luke's Committee recommending that the obligation of the Bank towards Messrs. Portal regarding the erection of the Overton Mill be settled by a payment to them of the sum of £188,000, representing an interest in the manufacture of Currency Note paper, subject to whatever adjustment and interest may be agreed by Messrs. Deloitte, Plender & Co. on behalf of the Bank.

Present

The Deputy Governor
 Lord Cullen of Ainsbourne
 Mr. Lubbock
 Sir Charles Addis
~~Mr. Lubbock~~
 and

The Comptroller
 Mr. Grenfell attended by
 invitation.

Wednesday, the 27th December, 1922.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers etc. was read.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend to the Court of Directors that a pension of £368:12:4 in accordance with the scale be granted, during pleasure, to John R. Dawson, a Superintendent in the Issue Office, as from the 31st instant, when he will attain the age of 65 years; and an allowance of 30/- a week (£78 a year), during pleasure, to Henry Wright, an Electrician's Labourer in the Printing Department, as from the 25th instant, when he attained the age of 65.

The Deputy Governor informed the Committee —

(1) That, with reference to last week's Minutes, he understood that the Austrian Government had appointed Dr. Reisch, Vice Chairman of the Boden Credit Anstalt, to be Chairman of the new Austrian National Bank and it was felt that this was opposed to the spirit, if not to the letter, of the agreement with the League of Nations.

(2)

27th December, 1922

CT. 134

(2) That, with reference to previous Minutes, and to the arrangement already made, the Governor (with the concurrence in principle of those members of the Committee he had been able to consult) had, in order to enable the amalgamation of F. Huth & Co. and König Bros. to be carried through, agreed to make an advance of £500,000 for 5 years to the partners of the latter firm to be used in increasing the capital in the new firm.

Present

The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashburnham
Mr. Lubbock
Mr. Danks
Sir Charles Adkins
Mr. Peacock, and
The Comptroller
Mr. Grenfell attended
by invitation.

Wednesday, the 3rd January, 1923

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

The Deputy Governor informed the Committee —

That, with reference to a previous Minute of the Committee, he understood that at present, owing to political difficulties, there was little prospect of the three Baltic States co-operating in any scheme for the establishment of a joint Central Bank.

It was agreed to refer to the Court a Minute of the Staff Committee recommending appointments.

The question of filling the vacancy on the Court in the room of Mr. Johnston was discussed and further consideration deferred.

Present

The Deputy Governor
 Sir Edward Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Sir Charles Addis
 Mr. Peacock, and
 The Comptroller

Wednesday, the 10th January, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, &c. was read.

The Deputy Governor informed the Committee -

(1) That he had received an application from Sir Alan Anderson to join the Board of the new London Midland & Scottish Railway Company and from Mr. Whigham to join the Board of the new London & North Eastern Railway Company, which he proposed to refer to the Court.

(2) That it would be necessary to obtain the consent of the Proprietors to the Parliamentary Bill in connection with the Churchyard of St. Christophers', which under the standing orders must be presented not later than the 13th March (i.e. within one month of the opening of Parliament.)

As it was practically impossible to hold the usual half-yearly General Court before the 22nd March, it was agreed that Messrs. Freshfields be asked to try and arrange for an extension of time until that date, when the formal consent of the Proprietors could be obtained: failing which it would be necessary to summon a special General Court for the purpose.

Further discussion took place in regard to filling the vacancy on the Court.

Present

The Deputy Governor
 Sir Edward Hambro
 Lord Rindstone
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Sir Charles Addis
 Mr. Peacock, and
 The Comptroller

Wednesday, the 17th January, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Deputy Governor informed the Committee —

(1) That, referring to previous Minutes on the question of Bank Note forgeries, the enquiries made by the police on behalf of the Bank had now been concluded and that the number of Bank Note forgeries had shewn a marked decrease each month since last July.

(2) That arrangements had been made to dispose of the Bank's leasehold premises, 60 and 61, London Wall, as from the 25th March in consideration of a premium of £10,000 and that the whole of the Transfer by Deed Staff would be transferred to Finsbury Circus early next month.

Minutes of the Staff Committee recommending

- (1) Appointments, and
- (2) The Election of 23 Probationary Clerks to the Permanent Staff were submitted and referred to the Court.

It was agreed to recommend that a pension of £125 : 4 : 4 be granted to W. C. H. Crocker, a Bullion Porter, as from the 25th instant, when he will attain the age of 65.

Present

The Deputy Governor
 Sir Edward Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Sir Charles Addis
 Mr. Peacock
 and
 The Comptroller

Wednesday, the 24th January, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Deputy Governor informed the Committee—

That he had received an application from Sir Robert Kinderley to join the Board of the Globe Telegraph and Trust Company, and from Mr. Booth to join the Board of the San Paulo Railway Company, which he proposed to refer to the Court.

It was agreed to refer to the Court the usual Quarterly Report of the Staff Committee with "Overs" and "Shorts."

The question of filling the vacancy on the Court was again discussed.

Present

A full Committee and
 The Comptroller.
 Mr. Grenfell attended by
 invitation.

Wednesday, the 31st January, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) of

31st January, 1923.

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(1) Of the conditions and general results of the visit of the Chancellor of the Exchequer and himself to America in connection with the Funding of the Debt due to that Country, and referred to the monetary position in New York and to the possibility of an increase in the Federal Reserve Bank discount Rate in the event of the price of commodities and securities continuing to rise.

(2) That, with reference to the French Credit the remainder of which falls due for repayment between May and August 1923, he proposed, subject to the approval of the Chancellor of the Exchequer, to suggest to the Bank of France that the Bank would be willing to accept repayment by annual instalments spread over a series of years, say at the rate of £5,000,000 a year for 11 years, and that if it would assist he would be prepared to go to Paris to discuss the matter.

It was agreed to recommend to the Court that General Courts be held at the Bank as follows -

- (1) To consider of a Dividend on Thursday, the 22nd March,
- (2) For the election of a Governor and Deputy Governor on Tuesday, the 10th April, and
- (3) For the election of Directors on Wednesday, the 11th April.

Also that a pension of £119 : 2 : 4 a year be granted to William Quilliam, Messenger to the Discount Office, as from the 4th February when he will attain the age of 65.

It was

31st January. 1923

It was further agreed to grant Allowances, during pleasure and according to scale, of £50 a year each to the Widow of G. B. Train, a Pensioner, formerly of the Western Branch, and to the Widow of J. W. Annoot, a Cashier.

The question of filling the vacancy on the Court was again discussed.

Present

The Governor
The Deputy Governor
Sir Gerard Hambro
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Sir Charles Addis
Mr. Peacock and
The Comptroller
Mr. Giffell attended by
invitation.

Wednesday, the 7th February. 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, at the request of the League of Nations, he was endeavouring to arrange for the issue this month by the Bank of a guaranteed short term loan on behalf of Austria, and that he had communicated with the Central Banks of France, Holland, Belgium, Sweden and Switzerland urging them to receive Representatives of the Austrian Government to discuss arrangements for those countries to participate in similar issues. The National Bank of Switzerland had also been asked whether they would be willing to act as Trustees for the holders of such loans in all countries.

(2) That

CT. 38.

7th February, 1923

(2) That, subject to the approval of the Court, he proposed to open a Drawing Account for the South African Reserve Bank.

It was agreed to recommend to the Court of Directors to propose to the Secretary of State in Council for India certain alterations and additions in the list of persons authorized to sign and countersign Bills drawn upon the Government of India, as detailed in a separate Minute;

Also that Mr. Cecil Lubbock be requested to serve on the Advisory Council of Directors and Staff until the election of Representatives in May, in the room of Mr. Paice, who has quitted the service.

Further discussion took place in regard to filling the vacancy on the Court.

The Governor explained the reasons for the recent and hurried amalgamation of Lloyds Bank with Messrs Cox & Co. and stated that the Bank had indemnified the former against loss at the end of 5 years on the following lines: -

£500,000 less 20% in respect of any deficiency of the general assets, including profit and loss account, as compared with liabilities, and
£400,000 (under the guarantee of the Treasury) in respect of any deficiency (less eventual surplus) on the London premises, as compared with cost and charges to date on realisation.

The figures and agreements were subject to the approval of Messrs. Deloitte and Freshfields, respectively, and these arrangements were, by agreement with Lloyds Bank, to be kept entirely secret.

Wednesday, the 14th February, 1923.

Present: -

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Mr. Tinker
Sir Charles Addis
Mr. Peacock and
The Comptroller
Mr. Grenfell attended by
invitation.

CT 91

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That the question had arisen as to how the contingent liability of the Bank in connection with the amalgamation of Lloyds Bank and Messrs Cox & Co. should be dealt with in the Bank's accounts and after discussion it was agreed that provision should be included in a special Suspense Account which it was proposed to create chiefly as a reserve for accrued taxation. X

(2) That the Treasury had asked to be advised as to proceeding with a Bill which had been drafted to deal with the question of and to define "what is a Bank"? and as it did not seem possible to get the general support of the Bankers at the present time the Committee agreed that the Treasury should be advised to abandon the Bill as a whole for the time being.

(3) That with regard to such differences as have recently arisen between the Government of India and the India Office in certain financial matters, he felt that the former in conjunction with the Imperial Bank of India should receive all possible support.

(4) That, with reference to the Bank of France credit, he had been informed that any extension of the Government guarantee would require Parliamentary sanction, but he hoped that means might still be found for continuing the guarantee without the necessity of going to Parliament.

(5) That he was endeavouring to find capable directors who would take an active interest in the affairs

14th February, 1923

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affairs of certain Banks trading overseas and would be glad of the suggestion of any suitable names.

ET. 38

(b) That, with reference to the proposed short term loan to Austria, he had given every possible assistance to the Austrian Representatives through other Central Banks, and as a result he hoped that the following Countries would participate—

France	£800,000
Holland	£400,000 (at least)
Belgium	£100,000
Switzerland	£200,000
Sweden	£150,000

(7) That with reference to a Minute of the Committee of the 15th June 1921, he proposed to continue the advance to Messrs. Pilkington Bros. up to a maximum of £600,000 during the current year on the same security as heretofore.

The following Reports of the Staff Committee were submitted and referred to the Court—

- (1) Upon the Classed Staff
- (2) On the case of H. J. Wadham, who was suspended by the Deputy Governor.
- (3) Recommending the election of 19 Probationary Clerks to the Permanent Staff.

Also the usual Quarterly Report of the Audit Committee with a recommendation relating to Advances.

It was agreed to recommend that a Pension of £65 a year be granted to James Hunt, a Labourer in the Works department, as detailed in a separate Minute.

A Request having been made by the High Commissioner for the Union of South Africa for some concession in the charge for management in respect of amounts of

Transvaal

14th February, 1923.

Transvaal 3% Stock 1923/53 invested by the Trustees of the Sinking Fund and the Public Debt Commissioners of the Union of South Africa, it was agreed to recommend to the Court that, provided the amounts of Stock continue to stand in the names of nominees representing the Sinking Fund Account and the Public Debt Commissioners, the Bank's charge in future for the management of the amounts in their books standing to the credit of those accounts be reduced from £250 to £100 per million per annum.

It was agreed to renew the following charitable subscriptions for the current year -

City of London Truss Society	£10 : 10 : -
Royal National Life Boat Institution	21 : - : -
Royal Surgical Aid Society	10 : 10 : -
Bank Clerks' Orphanage	52 : 10 : -
King Edward's Hospital Fund for London	250 : - : -
Queen Victoria's Jubilee Institute for Nurses	10 : 10 : -
City of London Lying in Hospital	10 : 10 : -
Elizabeth Garrett Anderson Hospital for Women, Euston, N.W.	50 : - : -
Samaritan Free Hospital for Women, Marylebone Road.	50 : - : -
Guys Hospital	250 : - : -
Bishop of Stepney (Rector of St. Margaret's, Lothbury.)	50 : - : -
	<u>£765 : 10 : -</u>

and to decline applications from

The Royal Infant Orphanage, Wanstead,
British Red Cross Society
Western Ophthalmic Hospital,
Marylebone Road.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Mr. Tinker
 Mr. Peacock
 and
 The Comptroller

Wednesday, the 21st February, 1923

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee

CT-38

(1) That, in spite of certain difficulties in connection with the preliminary formalities and the preparation of the prospectus, he hoped the Issue in this Country of the proposed Short Term Loan to Austria would be made before the end of the month.

(2) That the New Zealand Government had asked for a reduction in the charge for management of their loans with the Bank, and after discussion it was agreed that, while the minimum charge of £500 per million per annum made by the Bank should not be reduced, it should be left to the Governor to endeavour to meet the wishes of the New Zealand Government in some other way.

(3) That the estimated profits for the Half-year ending 28th February after providing for a dividend of 6% amounted to £2,453,000, and that he proposed to deal with this surplus as follows, viz: -

In writing down cost of Securities	£166,000
In writing down participation in Overton Mill	180,000
Provision for new premises	10,000
Provision for Income Tax etc.	2,000,000

and to carry the balance to Suspense account No. 1.

A copy

21st February, 1928

A Copy of the Order in Council of the 12th instant authorising an additional issue of Bank Notes upon Securities was laid before the Committee, and it was agreed to recommend to the Court that the Governors be authorised to transfer Securities to the value of £1,300,000 to the Issue Department in pursuance of the Order in Council and to make such rearrangement of the Securities held by the Issue Department as they may think desirable.

In this connection the Governor stated that, with reference to previous Minutes of the Committee, and as already agreed, such increase in the Bank's fiduciary issue would be transferred to the Currency Note Redemption Account.

A letter of resignation, owing to increasing years, from Mr. F. W. Peel, Agent at the Manchester Branch, was submitted and it was agreed to recommend that he be granted, during pleasure, a pension of £1,200 a year as from the 30th April next.

The following Minutes of the Staff Committee were submitted and referred to the Court -

1. Recommending Appointments
2. Recommending Increases of Salary, etc.

It was agreed to concur in the recommendations put forward by the Advisory Council of Directors and Staff, for a new Sliding Scale Bonus for the Permanent Male Clerical Staff incorporating the existing War Bonus and the former Sliding Scale Bonus.

Also

21st February, 1923

Also to recommend ^{that similarly} a new Sliding Scale Bonus be granted to other sections of the Clerical Staff as detailed in a separate memorandum.

It was agreed to decline applications for an allowance

from the widow of Thomas Astewith, a Pensioner and formerly Assistant Chief Cashier, and

from the relatives of the late Mrs. Suckling, widow of a former Clerk, who was in receipt of an allowance from the Bank.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Mr. Peacock
and
The Comptroller.
Mr. Grenfell attended
by invitation

Wednesday, the 28th February, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That he had received from Sir Basil Blackett a confidential copy of an official letter from the Finance Department of the Government of India to the India Office, advocating the adoption of six out of seven of the "suggestions" put forward as the basis of an agreement between the Bank and the Imperial Bank of India.

(2) That he proposed to inform the South African Reserve Bank that the Bank would be prepared if so desired to enter into an agreement similar to the above.

(3) That

28th February, 1923.

CT 76

(3) That certain transfers of Deed Stock amounting to some £15,000 and standing in the name of the late John Wilson had been accepted by the Bank and are now stated to have been forged. The documents in question have been sent to Glasgow in connection with the prosecution of Mr. Wilson's Secretary for forgery. No claim has as yet been made against the Bank.

(4) That, at their request, he had addressed a letter of introduction to the Bank of Spain in favour of a Director of the Central Mining & Investment Corporation.

(5) That he had written to the Treasury suggesting a method for the regular provision of Dollars for the service of the United States Debt. A copy of the letter was laid before the Committee.

It was agreed to propose to the Court to-morrow that the Hon. Roland Dudley Kilson, B.S.O., M.C. be invited to allow his name to be recommended to the Proprietors, to fill the vacancy on the Court caused by the death of Mr. Johnston.

The Eighth Interim Report of the Committee on the Rebuilding of the Bank, with Draft Agreements to be entered into between the Bank and the Architects, was submitted and referred to the Court:

Also the Reports of Messrs. Selwitt, Plender & Co. on the Accounts of the Printing Department and the Works Department for the Half-Year ended the 31st December last.

28th February, 1923

It was agreed to recommend that a pension of £315 a year be granted to F. G. Glennie, of the Bristol Branch, as detailed in a separate minute.

On an application from the widow of A. M. Lott, late of the Consols Office, it was agreed to grant her, during pleasure, the usual scale allowance of £55 a year.

It was agreed to recommend to the Court that the following personal additional salaries, etc. be granted, viz: -

Sir Ernest Harvey, Chief Cashier, a further £500 a year together with a gratuity of £1000.

H. Tilden, Secretary, £250 a year, retaining his supplementary salary.

R. C. G. Dale, Deputy Secretary, £200 a year.

A discussion took place as to whether means could be found by which a large amount of gold could be shipped to America in part repayment of the debt. The Committee were generally in favour of some such step.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Mr. Danks
Sir Charles Addis
Mr. Seacock and
The Comptroller.
Mr. Grenfell attended by
invitation.

Wednesday, the 7th March, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

7th March. 1923.

The Weekly Statement of discounts and advances granted to Bill Brokers was read.

The Governor informed the Committee

(1) That as regards the rate of interest on Ways and Means advances in order to avoid any appearance of a stereotyped scale he had arranged as from the 1st March the following revised rates -

For the 1 st £6,000,000	-	1 per cent
For the 2 nd £3,000,000	-	2 per cent
For any sums in excess of £9,000,000	-	2½ per cent

These terms to be reconsidered in the event of any change being made in the Bank Rate and in any case not later than the 31st August next.

(2) That there had been a misunderstanding of certain instructions sent by the National Bank of Switzerland in connection with their recent deposit of gold, resulting in a loss to the Bank of about £180 which would in due course be considered by the Staff Committee.

(3) That the Glasgow Corporation had asked whether the Bank would be prepared to issue Bills on their behalf as in the case of Liverpool, and that he proposed to tell them that the Bank would be willing to do so, as part of a comprehensive arrangement for their future issues.

(4) That a letter had been received from the India Office suggesting a reduction in the minimum allotment of India Council telegraphic transfers to Rs. 25,000 and that he had replied that, while ready

7th March, 1923

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to give effect to their wishes, he considered that it would be preferable for these small amounts to be arranged in India by the purchase of Sterling through the Imperial Bank.

(5) That, with reference to a Minute of the Committee of the 20th September 1922, he proposed to receive, on behalf of the Reichsbank, such further amounts of gold as they may wish to deposit with the Bank.

(6) That he expected a visit from M. Henne, a Regent, and M. Picard, Deputy Governor of the Bank of France, presumably to discuss the question of the French Credit.

A Minute of St. Luke's Committee, with the approval of the Staff Committee recommending Appointments, etc., on the constitution of St. Luke's Printing Works as a separate department, was submitted and referred to the Court.

It was agreed to recommend to the Court that the new cost of living index figure adopted for the Clerical Staff should apply to the Gift granted to Clerks, etc. pensioned since the Armistice and that, in the event of such index figure falling below 80, the Gift should be determined or reduced at 3 months' notice from any payment date.

The Governor submitted to the Committee a memorandum on the subject of the possible amalgamation of the Currency and Bank Note Issues, an opportunity for which might arise in the event of large shipments of Gold being required for repayment of the debt to America.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Mr. Tinker
 Sir Charles Addis
 Mr. Peacock and
 The Comptroller
 Mr. Grenfell attended by
 invitation.

Wednesday, the 14th March, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of discounts and Advances granted to Bill Brokers, etc. was read.

The Governor informed the Committee—

(1) That, referring to the Minutes of the previous Meeting, and after long discussions with M. Heine and M. Picard, he had suggested spreading the repayment of the Bank of France Credit over say 7 years - rising from £5,000,000 in 1924 to £10,000,000 in 1929.

The gold to be retained by the Bank until the Credit is reduced to the amount of gold held.

The Rate of Discount to be 1% over Bank Rate, with a minimum of 6% as hitherto, but as a private and separate arrangement 1% to be set aside for the benefit of the Bank of France.

The Representatives of the Bank of France, while expressing their satisfaction at these suggestions, stated that they had no authority to discuss any alteration of the terms regarding the return of the gold.

He understood that if amended on these lines the Credit would continue to enjoy the guarantee of H. M. Treasury.

(2) That the Café Royal, a private limited Company and sole customers at the Western Branch, had obtained an 80 years' lease from the Crown and proposed to rebuild their premises at an estimated cost of £400,000. They now applied for an advance up to,

say,

14th March, 1923

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say, £300,000, and it was agreed in principle to make such an advance, subject to a satisfactory valuation, and on their undertaking on completion of the building to make an issue or to arrange for the repayment of the loan if called upon to do so.

(3) That, with regard to the Turkish Government 3½% loan Egyptian Tribute, it had been agreed that Messrs. Rothschild with the knowledge and consent of the Foreign Office should at once apply for an injunction to restrain the Bank from handing over to Messrs. Dent, Palmer & Co. any further amounts received for the service of that loan.

(4) That Messrs. G. F. Neame & Co., an old established firm of Timber Merchants, who had repaid a large part of their cold storage advances out of their private resources, now found themselves embarrassed as the result of the Russian Trade Agreement and the seizure of their timber in Russia. He felt that the special circumstances warranted some assistance being given to re-establish their business, and the Committee agreed in principle that, if this could be arranged, an advance of £10,000 for, say, 5 years, might be made to supply capital.

(5) That he had received a request from Mr. Whigham and expected a similar request from Sir Robert Knidderley, for permission to become Directors of The Second Mercantile Trust Limited which he proposed to refer to the Court.

On an application from the Lord Mayor, it was agreed to subscribe £25 to the fund which is being raised at the Mansion House for a wedding gift to H. R. H. The Duke of York.

The following Minutes of the Staff Committee were submitted and referred to the Court -

1. Recommending appointments.
2. Recommending the election of 15 Probationary Clerks to the Permanent Staff.

a

14th March, 1923.

A letter of resignation from Robert J. Harris, a Compositor at St. Luke's, was laid before the Committee, and it was agreed ^{to recommend} that he be granted a Pension as detailed in a separate Minute.

It was agreed to recommend that Mr. Leslie Lefaux be appointed Auditor of the Bank Provident Society on behalf of the Court in the room of Mr. Whitnig.

It was agreed to recommend to the Court for adoption revised provisional Regulations for the taking in of the Out Cash as detailed in a separate memorandum.

Further discussion took place on the subject of the Memorandum submitted to the Committee last week in connexion with the possible amalgamation of the Currency and Bank Note Issues with the object of supplying Gold on account of the United States Debt.

The Chief Accountant attended the Committee and produced the Accounts of the Bank for the past Half-year and it was agreed to recommend to the Court that a half-yearly dividend of interest and profits be made on the 5th April next of 6 per cent less Income Tax.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Tinker
 Sir Charles Addis
 Mr. Peacock
 The Comptroller
 Mr. Grenfell attended
 by invitation.

Wednesday, the 21st March, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brothers etc. was read.

The Governor informed the Committee -

N/E.

Papers in CT 40

(1) Of the results of his visit with Mr. Peacock to Paris in connection with the French Credit, and he submitted to the Committee a draft of the suggested Supplemental Agreement to be entered into with the Bank of France for the repayment of the credit.

N/E.

Papers in CT 32

(2) That he had discussed with representatives of the India Office and Sir Norcot Warren the "suggestions" put forward as the basis of an arrangement between the Bank and the Imperial Bank of India and that they had agreed them with some slight alteration.

(3) That a representative of the Hungarian Government had arrived in London to obtain, if possible, short term advances on behalf of his Government.

(4) That in view of the future possible borrowings of India, he thought it desirable to sell the Bank's holding of India Stock as opportunity occurred.

(5) That

21st March, 1923

(5) That he had received an application from the Deputy Governor to join the Board of the Borneo Company and from Mr. Peacocks to join the Board of the Société Internationale d'Energie Hydro Electrique, which he proposed to refer to the Court.

It was agreed to recommend to the Court of Directors that, with the object of furthering co-operation between Central Banks, certain privileges in connection with Gold Deposits (as set out in the attached memorandum) be granted to such approved Central Banks as may desire to avail themselves of the arrangement.

The question of the possible amalgamation of the Currency and Bank Note Issues and the shipment of gold in connection with the American debt, was again discussed and the following points were generally approved - that

(1) It would be desirable to accumulate a large reserve in the United States over and above current requirements. The sum of \$500,000,000 was mentioned.

(2) The sooner it is provided the better.

(3) This Reserve should be first obtained by the following means -

(a) On the Exchange over and above current requirements.

(b) By the shipment of gold in hand.

The question of the provision of further Gold -

(1) From

21st March, 1923

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(1) From the Currency Note Account, including the Gold represented by the Bank Notes held in that Account.

(2) From the Bank, and

(3) The amalgamation of the Currency Note with the Bank Note Issue,

was left over for subsequent consideration.

Present

The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Mr. Tinker
Sir Charles Addis
Mr. Peacock
The Comptroller
Mr. Greenfell attended
by invitation

Wednesday, the 28th March, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers etc. was read.

The Deputy Governor informed the Committee—

(1) That, following on the Minutes of last week, he had discussed with the representatives of the Hungarian Government the question of a possible short term loan, and had informed them that pending a comprehensive scheme for the settlement of their finances on the lines of Austria, it was not possible to consider an issue in this market.

(2) That, with reference to the amalgamation of Lloyds Bank with Messrs. Cox & Co., the question had been raised as to the disposal of the premises at Waterloo Place, for which an informal offer had been made by Lloyds Bank. The total cost of the Buildings was estimated at £760,000 and the valuation at £685,000 subject to compensation for the release of a mortgage

on

ct 91

23rd March. 1923.

on the property at $6\frac{3}{4}\%$ which had nine years to run. It was agreed that negotiations might be continued with Lloyds Bank for the disposal of the property on the basis of the valuation.

(3) It was agreed to reply to an application from the General Post Office for the payment of certain Bank Notes, the halves of which had come into their possession through the Returned Letter Office, Addressee unknown, that the Bank do not recognise the finder of a half-Note as the bona fide owner of the whole Note and that the Post Office have never given value for the half-Notes in question. A similar application was made by the Post Office in 1895 and declined.

The usual letter from the Chancellor of the Exchequer applying for advances during the ensuing quarter was submitted and referred to the Court.

A Minute of the Committee on St. Luke's recommending alterations in the wages of Overseers, Foremen, etc., at St. Luke's Printing Works was submitted and referred to the Court, together with the annual report by the Secretary on the Samaritan Fund and the Clerks Guarantee Fund.

Present

The Deputy Governor
 Mr. Lubbock
 Mr. Danks
 Sir Charles Adair
 The Comptroller
 Mr. Gurnell attended by
 invitation

Wednesday, the 4th April, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers was read.

It was agreed to recommend to the Court of Directors that Drawing Accounts be opened for the following Central Banks -

Austrian National Bank

Latvia Bank

The Banking Office of the Ministry of Finance,
 Prague.

On an application from the widow of H. C. Bawtree, late of the Consols Office, it was agreed to grant her, during pleasure, the usual scale allowance of £54 a year.

Present

The Deputy Governor
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Mr. Danks and
 The Comptroller

Wednesday, the 11th April, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

The Deputy Governor informed the Committee

1. That

11th April, 1923

CT 91

(1) That, with reference to the Minutes of the 28th March, Messrs. Lloyds Bank had increased their offer to £675,000 for the whole of the Waterloo Place premises, the compensation for the release of the mortgage on the property to be paid by the Vendors. The approval of Mr. Hubert Cox had been obtained and, subject to certain details to be approved by Messrs. Deloitte and Freshfields, the Committee agreed that the offer should be accepted.

(2) That further floor space had been leased from the Anglo-Mexican Petroleum Co. Ltd. at 16, Finsbury Circus, at an annual rental of £1,575, the total rental for these premises being £24,275 (including cleaning). It is estimated that provision for a staff of 1,900 has now been made at 16 & 18, Finsbury Circus.

The House List of Governors and Directors for the ensuing year was submitted and referred to the Court, together with a Report of the Committee on Advances and Discounts recommending the acceptance of Messrs. Nathan & Rosselli's cheques deposited against Advances.

It was agreed to recommend that the voting for Members of the Committee of Treasury should take place at the Court on the 26th April and that the voting papers for the Election be issued after Court to-morrow.

Letters of resignation were laid before the Committee from Owen Stainforth of the Liverpool Branch who is over 60 years of age, and
from

11th April, 1923

from S. M. Townsend of the Accountant's Bank Note Office who has been absent on account of ill health since April, 1922, and it was agreed to recommend to the Court that pensions be granted as detailed in a separate minute.

It was agreed to decline an application for re-employment in the service from H. J. C. Phillips formerly of the Liverpool Branch who left the Bank in December 1918 at his own request.

Present

The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Mr. Tinker, and
The Comptroller

Wednesday, the 18th April, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Deputy Governor informed the Committee—

(1) That, referring to the Minutes of the 21st March, the Bank of France had confirmed the arrangement for the repayment of the balance of the credit, and the supplemental agreement signed in duplicate had been received on the 14th April.

(2) That an advance of £125,000 had been made to the Anglo-Austrian Bank on the security of gold deposited to the order of the Bank at the National Bank of Switzerland.

(3) That referring to previous Minutes the Reichsbank had asked for an advance of £2,500,000 against the

gold

18th April, 1923

gold deposited at the Bank, and that the rate of interest had been left over until the Governor's return.

(4) That he considered he should now retire from the Advisory Council of Directors and Staff, and that Mr. Mahon, the Deputy Chief Cashier, should be nominated in his place.

The Committee concurred.

The Committee agreed in principle to grant £100 to the Bankers' Beneficent Society Ltd., which had been formed in connection with the Bankers' Health Insurance, to give additional medical and other benefits to its members.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Jinks
Sir Charles Addis
Mr. Peacock, and
The Comptroller

Wednesday, the 25th April, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That, as stated in a letter from Mr. Spencer-Smith dated the 13th instant, the Anglo-Czech Bank had made an unexpected loss of about £250,000. He was informed that there was nothing to be feared with regard to the general position of the Bank, and he had advised the Anglo-Austrian Bank to make good the amount.

(2)

25th April, 1923.

Papers in
CBP/1

(2) That he had received a letter dated 18th April from the President of the Reichsbank stating that the French Troops in the Ruhr district had seized a quantity of German Bank Notes in course of manufacture which they had finished and put into circulation, and that the President thought it right to bring this matter to his knowledge as being one that concerned the interests of all Central Banks.

(3) That he had received a letter from Dr. Reisch of the Austrian National Bank asking for the Bank's support and co-operation in any steps that may be necessary to prevent sudden and violent fluctuations in the crown.

It was agreed that the Bank of England would be prepared to act as their Agents in buying and selling exchange.

(4) That the accounts of the Sports Club for the past year showed a deficit of about £700 and that he proposed to pay off this deficiency and to subsidise the Funds to the extent of 15/- for every 20/- of subscriptions received for the current year and for next year. This he hoped would place the Club in a better financial position as regards the future.

(5) That before the Bank is rebuilt he thought that it would be desirable that a series of coloured prints of some of the more interesting parts of the Building should be produced.

(b) That he had received an application from Mr. Tjarks to join the Board of E. Johnston & Co. Ltd., which he proposed to refer to the Court.

(7)

25th April, 1923.

(7) That an appeal had been received from Lord Knutsford on behalf of the London Hospital, and it was agreed to recommend that a donation of £1000 be made to the Hospital as in the case of their former appeal 5 years ago.

The Governor stated that he would take an opportunity of mentioning the matter to the Bankers at their Quarterly Meeting next week.

Referring to the Minutes of the 21st March, the question of the shipment of gold in connection with the American Debt was again discussed, and it was agreed in principle that the shipment of all or part of £7/8,000,000 gold held by the Bank on behalf of the Treasury was desirable.

The question of the provision of further gold -

(1) From the Currency Note Account, including the gold represented by the Bank Notes held in that account, and

(2) From the Issue Department of the Bank of England,

was also discussed, and it was agreed that before coming to a decision the Governor should invite two or three persons unconnected with the Bank to meet him with some other Members of the Committee and discuss the matter confidentially.

It was agreed to refer to the Court a Minute of the Staff Committee recommending Appointments, etc., Together with the Quarterly Report of that Committee with "Overs" and "Shorts": also the usual Quarterly Report of the Audit Committee.

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Sir Charles Adair
 Mrs. Peacock and
 The Comptroller.

Wednesday, the 2nd May, 1923.

The proceedings of the last Committee were read and agreed.

After again reviewing the financial position in the United States and the prospects of the immediate future, the Committee agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That, referring to previous Minutes, he had had a visit from Sir James Allen, the High Commissioner for New Zealand, who stated that his Government definitely refused to bind themselves for any specified term of years but asked for a reduction in the terms for management, for some refund in respect of payments made since 1913 and for a reduction in the Bank's issue charge, under threat of making arrangements elsewhere.

He thought that, notwithstanding the refusal of the New Zealand Government to enter into a contract for a definite period, it was desirable to meet their wishes as far as possible, and he proposed to offer £300 per million for management charges, to reduce the issue charge to £1,250 per million and to make a refund since 1913.

The Committee agreed.

(2) That the Reichsbank would probably require further advances against gold to be deposited at the Bank. It was agreed in principle that the Bank should afford such facilities, provided that no serious effect was produced in this market.

(3)

2nd May, 1923

(3) That he had had a visit from Lord Bearsted, who raised various questions in connexion with the management and rebuilding of the Bank, and suggested that the Bank should make a contribution to the N. M. S. Victory Fund.

It was agreed to recommend to the Court that a grant of £250 should be made.

Proposals for the appointment of Committees, etc. for the current year were submitted and referred to the Court.

Letters of resignation were laid before the Committee from Mr. S. F. Weguelin, Principal of the Colonial and Corporation Stocks Office and from Mr. J. S. W. H. Harrison, a Superintendent in the Register Office, and it was agreed that they be granted pensions as detailed in a separate minute.

On an application for an allowance from the widow of R. C. Adams, late of the Dividend Pay Office, it was agreed to grant her the usual scale allowance of £37 a year together with an additional allowance of £50 a year for 7 years towards the education expenses of her three young children.

Present

The Governor
The Deputy Governor
Lord Rensstoke
Sir Charles Addis
Mr. Peacock and
The Comptroller

N/E
CT. 45

Monday, the 7th May, 1923.

The Governor laid before the Committee a confidential memorandum in regard to future advances to be obtained by the Reichsbank, and it was agreed that it was inadvisable for the Bank to be a party to the arrangement on the lines suggested by the Reichsbank.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Sir Charles Addis
Mr. Peacock and
The Comptroller

Wednesday, the 9th May, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That, following on the Minutes of the 25th April, confidential meetings had been held at the Bank and the opinion of those present had been generally expressed as follows: -

(1) That it is desirable to amalgamate the Currency Note Issue with the Bank issue.

(2) That it is desirable to take steps to place a considerable sum (say £100 million) in America within the next couple of years, which should be invested in U.S. Bonds and should be available for contingencies.

(3) That should it be necessary to draw upon our gold reserve here to make this transfer, the gold reserve should not be reduced at any time below 25% of the outstanding Notes.

(2) That, in the course of negotiations to carry out the general agreement for funding the British Debt to the United States, a demand had been made by the Refunding Commission in Washington that repayment should be effected - not by a Sinking Fund to be applied annually, by drawings - but by the immediate issue of Serial Bonds maturing annually, for 62 years to the extent of the annual amount of the agreed cumulative Sinking Fund.

The Committee considered that this demand should be resisted at all costs.

Present.

The Governor
 The Deputy Governor
 Sir Gerard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Sir Charles Addis
 Mr. Peacock and
 The Comptroller.

Wednesday, the 16th May, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers etc. was read.

The Governor informed the Committee—

CT. 76

(1) That, referring to the Minutes of the 28th February last in connection with the alleged forgery of certain transfers, the late Mr. Wilson's Secretary had been found guilty of forgery and sentenced to 7 years' imprisonment and that the Trustees of Mr. Wilson had now called upon the Bank to replace the Stock. As this was the first occasion of a claim being made against the Bank for forgery of deed Stock, he proposed to follow Counsel's opinion as to the liability of the Bank in the matter.

(2) That he proposed to refer to the Committee on Advances and Discounts the question of restoring to the Imperial Ottoman Bank, so soon as a settlement is made with Turkey, the privileges which they had long enjoyed at the Bank but which have been in abeyance since 1914.

(3) That, with reference to the revised Terms of March 1923 for repayment of the balance of the Bank of France Credit, under which provision is made until 1930 for setting aside certain sums out of the discount charged for renewing the Bills, he proposed to invest the sums so set aside in 4½% Treasury Bonds.

16th May, 1923.

108

A letter of resignation was laid before the Committee from Mr. James Hamilton, a Cashier, and it was agreed to recommend that he be granted a pension, as detailed in a separate Minute.

The following Minutes of the Staff Committee were submitted and referred to the Court, viz:-

- (1) Recommending appointments, etc.
- (2) Recommending the election of 17 Probationary Clerks to the Permanent Staff.

The result of the Election for representatives of the Staff on the Advisory Council of Directors and Staff was reported and referred to the Court.

Present

The Governor
The Deputy Governor
Sir Gerard Hambro
Lord Cullen of Ashbourne
Sir Charles Addis
Mr. Peacock
and
The Comptroller

Wednesday, the 23rd May, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The alterations over the last 6 months in the Floating Debt, the two circulations and wholesale and retail prices in the United States and Great Britain were laid before the Committee.

The Governor informed the Committee—

That, with reference to previous Minutes, a further confidential meeting had been held at the

Bank

23rd May. 1923.

Bank, when a provisional opinion had been expressed as follows: -

(1) That it is desirable to take steps to place a considerable sum (say, £100 million) in America within the next couple of years which should be invested in U.S. Bonds and should be available for contingencies.

(2) That should it be necessary to draw upon our Gold Reserves here to make this transfer, the Gold Reserves should not be reduced at any time below 25% of the outstanding Legal Tender Notes.

(3) That, in order to facilitate the above arrangements, it is desirable forthwith to amalgamate the Currency Note Issue with the Bank issue.

(4) That statutory authority be obtained to continue the Export Control Act until not later than 1930 - or until an amalgamated Gold Reserve of at least £150 million shall have been held under favourable Exchange conditions for two consecutive years.

CT. 113.

It was agreed to refer to the Court a Report of the Committee on Advances and Discounts on the discount business of the Bank during the year 1922 with recommendations in regard to Discount Accounts; and to recommend to the Court that the following be appointed to serve as Members of the Advisory Council of Directors and Staff for the current year -

Lord Revelstoke (Chairman)
Mr. Lubbock
Mr. Whitworth
Sir Henry Babington Smith
Mr. Walker
Mr. Mahon

The Governor
 The Deputy Governor
 Sir Gerard Hambro
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Sir Charles Addis
 Mr. Peacock and
 The Comptroller.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

Referring to previous Minutes, the Governor informed the Committee -

That the Treasury would have to provide about \$100 million before next winter for payments in the United States;

OT 99.

That in 1924 the Fiduciary maximum of the Currency Note issue would possibly be reduced to £245,744,000 in accordance with the Treasury Minute dated 15th Nov^r 1919 which on present figures would show a margin of only £8,753,000;

and asked consideration as to what steps should be taken to provide the Dollars and whether in the future a high rate would be justified in order -

(1) To prevent an alteration in the Treasury Minute,

or

(2) To maintain the Bank Reserve against transfers of Notes to Currency Note account with the object of protecting a Circulation which was not the direct concern of the Bank.

It was agreed to recommend to the Court that a donation of £100 be granted to the Crosby Hall Endowment Fund.

Letters

30th May, 1923

Letters of resignation on account of ill health were laid before the Committee from John Read of the Security Paper Office, St. Luke's; W. E. G. Clarke of the Bill Office; and from H. W. Morley of the Dividend Pay Office, who is over 60 years of age; and it was agreed to recommend to the Court that pensions be granted in each case as detailed in a separate Minute.

Present.

The Governor
The Deputy Governor
Sir Everard Hambro
Lord Revelstoke
Lord Bullen of Ashbourne
Mr Trotter
Sir Charles Addis
Mr Placock and
The Comptroller.

Wednesday, the 6th June, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, referring to previous Minutes, a loan had been made to the Reichsbank up to a total of £5,000,000, and that although the account was at present overdrawn by some £200,000 there was ample security in the hands of the Bank.

CT. 38.

(2) That, in spite of various technical uncertainties connected with the Release of Liens—the deposit of Security and the actual amounts to be issued elsewhere, the issue in this country of the Austrian Guaranteed Bonds would be made at the beginning of next week.

(3) That he proposed later to obtain the consent of the Court for the Bank's name to appear as Bankers, and willing as such to receive applications at the Head Office and Branches,

on

6th June, 1923. on a Prospectus of an Indian Loan which was shortly to be issued by Messrs. Ogilvy Gillanders & Co., sole customers of the Bank.

(4) That he proposed to refer to the Court an application from Mr. Trotter to join the Boards of the United Electric Tramways of Monte Video and the Cordoba Light Power & Traction Company.

Following on the Minutes of last week, discussion took place in regard to Bank Rate policy in the near future with special reference to the position in the United States.

Present.

The full Committee
and
The Comptroller

Wednesday, the 13th June, 1923.

The proceedings of the last Committee were read and agreed.

CT 99
The existing divergence between money rates in this Country and the United States was discussed, and the opinion was expressed that, failing a change on one side or the other in the near future, an early rise in the Bank of England Rate might be necessary with a view to the ultimate restoration of the equilibrium of exchange. Meanwhile it was agreed to recommend no change.

The Governor informed the Committee —

SEC. 10.
(1) That, with a view to a better understanding and smooth working in the future, he had arranged for an official from the Treasury to come to the Bank for, say, three months, in order to study particularly the detail work in the various Offices.

(2) That

13th June, 1923

CT. 39.

(2) That, at the special request of Messrs. J. P. Morgan & Co. he had granted an interview to the American Correspondents in London on the subject of the Austrian Loan for sole publication in the American Press.

(3) That he had had a visit from Mr. D. M. Mason, Chairman of the Sound Currency Association, who had expressed the views of the Association on the present financial position.

N/E.
called in by SA.

(4) That he had received a private and confidential letter from the Governor of the South African Reserve Bank with reference to the financial position of the National Bank of South Africa, and he laid before the Committee his reply, offering to give the Bank's guarantee or to make Advances to the extent of £500,000 on joint account with the South African Reserve Bank.

It was agreed that the method of computing Income Tax upon the Bank's profits should be revised, and that -

(1) There should be added back to the Profits the average of the Income Tax charged in each of the three years instead of the amount of Income Tax paid during the last year.

(2) Income Tax should be charged on the average of the three years ending the 28th February immediately preceding the year of assessment, in accordance with the law, and not (as at present) upon the average of the three years ending during the year of assessment.

Minutes

13th June, 1923

Minutes of the Staff Committee recommending

- (1) appointments, etc., and
- (2) The election of 13 Probationary Clerks to the Permanent Staff,

were submitted and referred to the Court, together with a Minute of the Committee on St. Luke's recommending the adoption of Regulations relating to the Staff of St. Luke's and the general management of the Printing Works.

It was agreed to recommend to the Court of Directors to propose to the Secretary of State in Council for India certain alterations and additions in the list of persons authorised to sign and countersign Bills drawn upon the Government of India, as detailed in a separate Minute: also that a pension of £112:13:4 ^{a year} be granted to J. G. Summersby, a Bank Note Stamper, who will attain the age of 65 on the 17th June.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Aulbourne
Mr. Trotter
Mr. Tinker
Sir Charles Addis
Mr. Peacock and
The Comptroller

Wednesday, the 20th June, 1923.

The proceedings of the last Committee were read and agreed.

With reference to last week's Minutes, it was agreed that, unless unforeseen changes occur in the meantime, it would be advisable to raise the Bank Rate within a fortnight, but that no change be recommended this week.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

The

20th June, 1923

The Governor informed the Committee —

(1) That, with reference to last week's Minutes, he had received a telegram from the Governor of the South African Reserve Bank stating that he had obtained a satisfactory guarantee from the South African Government for all steps taken by the Reserve Bank to support the National Bank of South Africa and detailing the arrangements that are being made.

(2) That he had received a letter, of which he had forwarded a copy to the Prime Minister, from the Chairman of the Committee of Clearing Bankers in regard to the bearing which the Reparations question has upon the general financial and industrial outlook in this Country and the effect of delay or postponement in the settlement of that question.

• (3) That, in response to an urgent telegram from the President of the Reichsbank, he had arranged for a further advance of £2,500,000 for a month against the gold deposited here.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Arbennie
Mr. Trotter
Mr. Tinker
Sir Charles Addis
Mr. Peacock
and
The Comptroller

Wednesday, the 27th June, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

27th June, 1923

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

The Governor informed the Committee -

(1) That, of the Queensland Government Stocks domiciled at the Bank, over £12,500,000 falls due for redemption on the 1st July, 1924, and a further £11,500,000 in 1925, and that so far the Queensland Government have taken no steps in the matter.

(2) That, with reference to previous Minutes, he had seen the London Manager of the National Bank of South Africa and had promised to advance to their Branch here any reasonable amount they might require and had also arranged to discount their Bills; he proposed to cable to-day to the Governor of the South African Reserve Bank acquainting him of this arrangement and authorising an announcement of it at the General Meeting of the National Bank of South Africa which is to be held in Pretoria on Friday.

It was agreed to decline an application which the Governor had received from Lord Milner for a donation towards the proposed endowment of a tropical agricultural College recently established in Trinidad.

The usual letter from the Chancellor of the Exchequer applying for advances during the ensuing Quarter was submitted and referred to the Court.

It was agreed to recommend that a pension of £82:10:- be granted to Leopold Tayler, a Compositor at St. Luke's Printing Works, as detailed in a separate Minute.

Present

a full Committee
and
The Comptroller.

Wednesday, the 4th July, 1923.

The proceedings of the last Committee were read and agreed.

ET 99.

On the proposal of the Governor it was agreed to recommend to the Court that the Bank Rate be raised to-morrow from 3 per cent to 4 per cent.

The Weekly Statement of Discounts and Advances granted to Bill Brokers etc. was read.

The Governor read a cablegram from Mr. Clegg stating that he was endeavouring to make arrangements for the Bank to act as Agents for the Union Government of South Africa in the issue and management of their loans.

It was agreed to decline an application from the London Chamber of Commerce for a donation towards their Educational Scheme.

Present.

The Governor
The Deputy Governor
Sir Edward Hambro
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Tinker
Sir Charles Addis
Mr. Peacock
and
The Comptroller

Wednesday, the 11th July, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

11th July, 1923

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The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

The following Minutes of the Staff Committee were submitted and referred to the Court -

- (1) Recommending appointments, etc.
- (2) Recommending the election of 16 Probationary Clerks to the Permanent Staff.

An application from Mr. Peacock to join the Board of the Union Electrica de Cataluna was referred to the Court.

Present

A full Committee
and
the Comptroller

Wednesday, the 18th July, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That he had agreed with Sir Francis Newton to act on behalf of the Colony of Southern Rhodesia, to be established on the 1st October, regarding their financial needs.

(2) That he had had several interviews with the representatives of the Roumanian Government and had informed them that the needs of Hungary should be

met

18th July. 1923

met and various other matters settled before Roumania could be considered a welcome borrower.

ET III.

(3) That, as a result of the War, the Government are the holders of various negotiable Securities and the Bank might be able to assist in realising them. He therefore proposed that a private Company be formed to acquire these Securities; that the Bank should take up, say, £2,000,000 of the Company's Bonds and should receive proper interest, together with a nominal share of the profits.

(4) That he proposed to ask Colonel Erskine to act as a member of the Trustee Savings Bank Inspection Committee in the room of Sir Alan Anderson who had resigned.

(5) That, as a Trustee of the Sinking Fund of the Great Indian Peninsula Railway, he had been notified that they had agreed to lend £100,000 to a certain Corporation for 25 years at 4 per cent. The loan was in accordance with the terms of the Trust Deed, and he therefore had no power to prevent it, but having regard to the higher interest rates now obtainable he had called attention to the apparent loss of interest which would result.

It was agreed to recommend to the Court for approval -

(1) A Minute of the Committee on Advances and Discounts.

(2) Quarterly Report of the Staff Committee with "Overs" and "Shorts".

(3)

18th July, 1923.

(3) That permission be granted for the Bank's name to appear on the prospectus of an issue of £2,000,000 "B" Mortgage Debenture Stock of the Newfoundland Power & Paper Co. Ltd., as Bankers to the Company and as willing to receive applications at the Head Office or Branches.

An application from C. H. S. Carter, a Pensioner, for a continuance of the Supplementary Pension of £50 granted in 1920 for a period of three years, to assist in the education of his children, was considered, and it was agreed to continue the Supplementary Pension for a further period of three years.

It was agreed to decline an invitation for the Bank to become an Associate Member of the International Chamber of Commerce.

Present.

The Governor
The Deputy Governor
Sir Ernard Hambro
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Danks
Sir Charles Addis
Mr. Peacock
and
The Comptroller

Wednesday, the 25th July, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend to the Court that a General Court to consider of a Dividend be held at the Bank on Thursday, the 20th September.

An application from Mr. Trotter for permission to join the Board of the International
Investment

25th July, 1923.

Investment Trust was referred to the Court.

The Governor informed the Committee that he had authorised the Chief Cashier to sign a form of proxy on behalf of Messrs. G. G. Sandeman Sons & Co. Ltd. for a General Meeting of the Bodega Company on the 24th instant in respect of 4,165 ¹⁵/₁₆ Ordinary and 225 ¹⁵/₁₆ Preference Shares of that Company standing in the names of the Bank's nominees but not at present pledged as security for an Advance.

Present.

The Governor
The Deputy Governor
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Danks
Mr. Peacock
and
The Comptroller.

Wednesday, the 1st August, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

CT 51.

(1) That the Capital Guarantees from H. M. Government to the Bank in respect of certain advances which he enumerated now amount to about £2,250,000.

CT 34

(2) That, pending the issue of a Greek Loan and with the promise of support from H. M. Government, he had offered a temporary advance, subject to various conditions, to the National Bank of Greece towards the Settlement.

1st August, 1923.

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settlement of Refugees on the lines of a scheme recently adopted by the League of Nations. The advance would amount to about £1,000,000 or £1,500,000, of which a participation of one half would be taken by other Bankers.

Minutes of the Audit Committee and the Committee on St. Luke's were submitted and referred to the Court.

Present.

The Deputy Governor
Sir Edward A. Hambro
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Tiansko
Mr. Peacock
and
The Comptroller

Wednesday, the 8th August, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Deputy Governor reported that on the 3rd instant the Governor had sent a letter to the American Embassy expressing the sorrow of the Court at the untimely death of President Harding.

Present

The Deputy Governor
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Tiansko
and
The Comptroller

Wednesday, the 15th August, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

15th August 1923

The following Minutes of the Staff Committee were submitted and referred to the Court -

1. Recommending appointments, etc.
2. Recommending the Election of 14 Probationary Clerks to the Permanent Staff.

Present

The Deputy Governor
Lord Cullen of Ashbourne
Mr. Tranks, and
The Comptroller.

Wednesday, the 22nd August, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

A Minute of the Staff Committee recommending the appointment of 256 Temporary Clerks to the Auxiliary Staff was submitted and referred to the Court.

Wednesday, the 29th August, 1923.

The Deputy Governor being the only Member present the Minutes of the last Meeting were not read and no business was transacted.

Present:-

The Deputy Governor
Lord Cullen of Ashbourne
Mr. Trotter, and
The Comptroller.

Wednesday, the 5th September, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

Allowances in accordance with the scale were granted, during pleasure, to -

Mrs. Caroline Wright, Widow of John P. Wright, a Pensioner, formerly Stock Office Librarian, £60 a year,
and

Mrs. Margaret Gibson, Widow of John A. Gibson, a House Porter, £18 a year.

Present

The Governor
The Deputy Governor
Lord Cullen of Ashbourne
Mr. Trotter and
The Comptroller

Wednesday, the 12th September, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

That, under the auspices of the League of Nations, a scheme had been drawn up for the formation of a National Bank for Albania, with a capital of £200,000, three-fourths to be subscribed equally in this country, France and Italy; but from enquiries which he had made it seemed unlikely that the money would be forthcoming here from private sources.

That

12th September, 1923

That, in addition to the donation already made to the Lord Mayor's Fund, he proposed, with the concurrence of the Committee, to ask the Court to place at the disposal of the Governor of the Bank of Japan the sum of £5000 to be disbursed by him as he may think best for the Relief of Sufferers in the recent Earthquake.

A letter of resignation was laid before the Committee from Robert G. Winter of the Liverpool Branch, and it was agreed to recommend that he be granted a pension, as detailed in a separate Minute.

The Chief Accountant attended the Committee and produced the Accounts of the Bank for the past Half-Year. It was agreed to recommend to the Court that a Half-Year's dividend of interest and profits be made on the 5th October next of £6 per cent less Income Tax.

Present

The Governor
The Deputy Governor
Lord Cullen of Ashbourne
Mr. Trotter and
Sir Charles Adair

Wednesday, the 19th September, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The question of continuing to show in the "Rest" at the end of each Half-Year the amount of the forthcoming dividend was discussed, but it was

not

19th September, 1923

126

not thought desirable that any change in the present practice should be made.

Minutes of the Staff Committee and St. Luke's Committee, recommending appointments, etc., were submitted and referred to the Court.

It was agreed to recommend to the Court that pensions as detailed in a separate minute be granted to G. H. D. Duncan of the Dividend Office, and Leslie Sadler, a Compositor at St. Luke's.

Present.

The Governor
The Deputy Governor
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Danks and
Sir Charles Addison

Wednesday, the 26th September, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee.

(1) That he proposed to make advances or subscriptions, when so requested by H. M. Government, to such Central Banks, e.g. in Danzig, as may be set up under schemes approved by the League of Nations.

(2) That, having been asked to advise what remuneration should be paid to Mr. Bank for negotiations in connexion with the recent Austrian Government loan, he considered the amount should be £7,500.

Office File
P52.

It was agreed to refer to the Court the usual application from the Chancellor of the Exchequer applying for advances during the ensuing Quarter.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Trotter
 Sir Charles Addis
 and
 Mr. Peacock

Wednesday, the 3rd October, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That since his recent visit to London the Governor of the Bank of Ireland ^{had} expressed his intention to co-operate with the Bank in regard to the needs of the Free State as well as the affairs of the Bank of Ireland.

(2) That in a private letter to Sir Norcot Warren he had expressed surprise at the nature of the Bills of Exchange which it is proposed to deposit as security in the event of an increased issue of Currency Notes in India.

(3) That it seemed to be in the interests of the Bank to help to maintain the Reichsbank as a Central Bank, and he proposed therefore to give all possible support to President Havenstein in any efforts of his to reconstitute the Reichsbank before his retirement.

The Committee considered that the assistance which might be given by the Bank of England should not include the purchase of shares in the Reichsbank, in the event of the issue of fresh capital.

(4) That, referring to the Minutes of the 18th July, the Chancellor of the Exchequer had in principle

approved

N/E
 Letter in CT 32.

CT III.

3rd October 1923

approved the scheme for the formation of a private company to acquire various Securities held by Government departments.

(5) That on the arrival of Mr. MacKenzie King, Prime Minister of Canada, a renewed agitation was being made in connection with the position of Grand Trunk Stockholders.

After discussion the Committee adjourned consideration of: -

(1) Loans to the Market on behalf of Customers, which was before the Committee on the 23rd March 1917.

(2) Currency Notes (fiduciary maximum) which was before the Committee on the 30th May last.

It was agreed to recommend to the Court that pensions be granted to G. W. City, Deputy Principal of the Dividend Pay Office, who is 65 years of age, and to H. F. Smith of the Dividend Office, who is certified to be of unsound mind, as detailed in a separate Minute.

On an application from the widow of A. D. Fraser, a Pensioner, it was agreed to grant her during pleasure the usual scale allowance of £60 a year.

Present: -

The Governor
The Deputy Governor
Sir Everard Hambro
Lord Revelstoke
Lord Cullen of Ashbourne
Sir Charles Addison
and
Mr. Peacock.

Wednesday, the 10th October, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

Further discussion took place in regard to -

- (1) Loans to the market on behalf of customers, and
- (2) The Currency Note Issue.

With regard to (1) the Committee agreed that it was inadvisable to revert to pre-war practice of making loans to the market and that the present system of investing customers' money in Treasury Bills be maintained, subject to reconsideration if and when the public sale of Trep Bills should be discontinued.

As regards (2) the Governor again pointed out the possibility that in 1924 the fiduciary issue of Currency Notes as authorised by the Treasury Minute of 1919 might be insufficient to meet the demand, and that the following courses appeared to be open -

- (a) To abandon the Treasury Minute.
- (b) To be prepared to meet the demand for Currency Notes by transferring Bank Notes from the Banking Reserve of the Bank of England to the Currency Note Reserve.
- (c) To accumulate and hold Currency Notes among the Bank's other Securities, before the end of 1923, in order to increase the amount of Notes issued this year, and thereby to increase the authorised fiduciary issue for 1924.

The

10th October, 1923

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The Committee were not in favour at the present time of taking any immediate steps in the matter and hoped, should the need arise, to transfer notes from the Banking Reserve as suggested above.

The Governor informed the Committee -

(1) That an amendment to the Law relating to Bills of Exchange was mooted in order to provide -

- (a) that all Bills falling due on a non-business day should be payable on the next business day, and
- (b) that days of grace should be abolished.

The Committee approved.

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(2) That, at his suggestion, Mr. Trotter had kindly undertaken to accompany Mr. Hilton Young who had gone to Warsaw to study financial conditions in Poland.

(3) That, at the instance of the respective Central Bank, the Bank might be asked to take over the issue and management of certain Colonial Loans, e.g. Union of South Africa and that as the Bank could not quote as low a cost as would be quoted by others in London, he proposed, as an inducement, to offer to divide any yearly profit which might accrue from such management with the respective Central Banks.

(4) That the Clearing Banks were returning silver coin in greater quantities than the Mint was prepared to receive, but that he proposed to continue to accept and hold such silver as an unproductive security until the Mint was willing to take it.

(5) That

10th October 1923~~1742~~
CT 113.02

(5) That Finance and Renewal Bills were becoming more numerous and that it was increasingly difficult to observe the policy agreed upon by the Committee on the 15th November 1922.

He also raised the question whether it was desirable or possible that a definite attempt should be made to get back to the Gold Standard in 1924; a discussion took place on this and on alternative questions and was adjourned until the following week.

The following Minutes of the Staff Committee were submitted and referred to the Court, viz: -

- (1) Recommending appointments, etc.
- (2) Recommending the election of 34 Probationary Clerks to the Permanent Staff.

It was agreed to recommend to the Court that a pension be granted to J. T. A. Smart, an employé of St. Luke's Printing Works, as detailed in a separate Minute.

Present.

The Governor
Lord Revelstoke
Sir Charles Addis
Mr. Peacock and
The Comptroller.

Wednesday, the 17th October, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

17th October 1923

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The Governor informed the Committee

(1) That, referring to the Minutes of the 14th March last, and owing to the default of Messrs. Bent Palmer & Co. in the payment of certain Coupons and drawn Bonds of the Turkish Government 3½% Loan, a friendly action had been arranged in order to ascertain who is to bear the loss; the costs of such action, amounting to about £2,000, being divided between Messrs. Rothschild and the Bank.

(2) That he had been approached on behalf of certain Austrian Financiers as to whether the Bank would be prepared to dispose of their Shares in the Anglo Austrian Bank, and that he had declined to discuss the matter.

(3) That, as he had had several enquiries concerning a recent statement made by the Minister of Labour, which had been taken to indicate the adoption of a policy of inflation as a means of financing schemes for the relief of unemployment, he had written to the Chancellor of the Exchequer, whose reply was read to the Committee.

The question whether it was desirable, or possible, that a definite attempt should be made to get back to the Gold standard in 1924 was again considered, and after discussion it was agreed that the present policy should be continued and that any attempt to reconsider the Report of the Cunliffe Committee, at any rate until after a complete settlement of reparations and inter allied debts should be resisted.

St

17th October 1923

It was agreed to recommend to the Court that, at the request of Mr. Spencer-Smith, an invitation be extended to Dr. Swarzwald to become a Director of the Anglo Austrian Bank in the room of the late Dr. Rosenberg.

On an application from H. L. Colebrooke, a Pensioner, it was agreed to recommend the Court, as a special case, to allow him to commute £25 of his pension, whereby he might start an occupation in order to add to his income.

Present

The Governor
Lord Revelstoke
Sir Charles Addis
Mr. Peacock, and
The Comptroller.

Wednesday, the 24th October, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That he had received an application from Mr. Jantes for permission to join the Board of the "J. Henry Schröder Banking Corporation, New York", and from Mr. Whigham to join the Boards of the Sun Insurance and the Sun Life Assurance, which he proposed to refer to the Court.

(2) That, while in principle he viewed with regret the proposed amalgamation of the London & Brazilian Bank and the London & River Plate Bank, he feared that it was not possible for any steps to be taken in regard to the responsibility of a Clearing

Bank

24th October 1923

Bank thus involved either by the Colwyn Committee, the Chancellor, or the Bank.

(3) That its Chairman and Directors were fully persuaded that the Anglo Austrian Bank required further capital and he thought that steps should first be taken to re-arrange their capitalisation so as to give more freedom in the future.

(4) That Mr. Whigham had spoken to him on the subject of forming a Company to invest in the States adjacent to Austria and he read to the Committee a note deprecating such business until after the rehabilitation of Hungary.

(5) That he had been asked by the Foreign Office on behalf of the Government of Colombia to find a capable man who would act as Adviser to the recently appointed Superintendent of Banking in Bogota.

(6) That H. M. Treasury had decided to ship to New York the amount of Gold held by the Bank on their behalf with the exception of some £2 millions; a decision which implied the holding of no present Reserve against the service of the United States Debt.

(7) That the South African Gold producers had decided to increase the existing basis for the price of exportable Gold in London and had adopted the dollar parity without deduction for the cost of shipment from London to New York, an increase on the existing basis of some 4^d per oz., which he feared would tend to restrict business on the London Market.

(8) That, referring to previous Minutes, it had at length been arranged that the "suggestions" in regard to the Imperial Bank of India should come

into

24th October. 1923

into effect during November and January next and he therefore proposed to make advances to the Imperial Bank as and when required against Sterling or Rupee Securities deposited in London or earmarked in India.

After discussion the question of the person to be selected by the Governor of the Bank of England and the Manager of the Imperial Bank of India to serve on the Advisory Committee in London, was deferred.

(9) That, in view of the rebuilding of the Bank, he proposed to spend say £200 in acquiring old prints etc. of the Bank which are about to be offered for sale.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Sir Charles Addison
Mr. Peacock and
The Comptroller

Wednesday, the 31st October. 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, with reference to last week's Minutes, the South African Gold Producers had now decided to reduce by half (to 2^d) the proposed addition to the price of exportable Gold.

(2) That, in connection with the recent forgery of a registered transfer of £1000 5% National War Bonds to the nominees of the Westminster Bank, the Bank are replacing the Stock and dividends and have applied to

the

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the Westminster Bank for a refund.

That as regards the alleged forgery of certain Transfers of Deed Stock standing in the name of the late John Wilson, which has been referred to in previous Minutes, the Bank will be obliged to defend, in the Scottish Courts, and at considerable cost, an action which has been brought against them to replace the Stock.

(Full particulars of these cases are detailed in a Separate Memorandum).

(3) That he proposed, if and when requested, to make advances against the deposit of Gold to the National Bank of Denmark, who may decide to take steps to support their exchange.

(4) That a Committee had been set up by the Imperial Economic Conference to enquire into the Dominion Exchanges and that he was pleased to say, that Sir Charles Addis had accepted the position of Chairman.

(5) That since the 1st April last Government short dated Bonds at a fixed rate of interest had been paid off to the extent of £44 millions and these had been replaced by £32 millions Treasury Bonds and £12 millions Treasury Bills. Further Bonds amounting to £21 millions were due for repayment before the end of the financial year, and he considered that an endeavour should be made, in December and January, to replace these in part by similar Bonds, rather than only by an increase in the amount of Treasury Bills.

(6) That the Mint Authorities were desirous of withdrawing the whole of the Silver Coin in circulation and substituting Silver 750 fine for the $\frac{8}{16}$

and

31st October 1923

and $2\frac{5}{8}$ pieces and Nickel for the Coins of lower denominations, but he thought it was not a desirable change to initiate at the present time and the Committee agreed that any such proposal should be resisted.

(7) That he had had a visit from Mr. Morgenthau, formerly United States Minister in Turkey, who is going to Greece to act as Chairman of the Refugee Commission established by the League of Nations, and who had stated that he hoped to help towards a settlement of their difficulties and possibly in establishing a Balkan Federation.

Mr. Peacock informed the Committee that, arrangements having been completed for him to join Messrs. Barings at an early date, he would not seek re-election in April next.

Reports of the Committee on Advances and Discounts and on the Rebuilding of the Bank were submitted and referred to the Court.

It was agreed to recommend that the annual subscription to the Forbanks Messengers Sports Club be increased to £100 in conformity with the three other Banks concerned; and that a donation of £100 be granted to the Bankers Beneficent Society.

On an application from the widow of Charles Barrington, a Pensioner and formerly of the Plymouth Branch, it was agreed to grant her, during pleasure, the usual scale allowance of £60 a year.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Sir Charles Addis
Mr. Peacock and
The Comptroller

Wednesday, the 7th November, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, a special appeal having been received from Mr. A. H. Campbell, Chairman of the Stock Exchange, who was presiding at the Festival Dinner of the London Orphan School to be held yesterday, he had agreed, as an exceptional case, to contribute 100 guineas on the understanding that, in view of the comparatively recent donation made by the Bank to that Institution, the Bank's name did not appear as such on Mr. Campbell's list of donors.

The Committee concurred.

N/E.
Paper in CT 32.

(2) That Sir Norcot Warren had given him an Extract from the proceedings of a Meeting of the Central Board of the Imperial Bank of India held at Calcutta on the 1st October, from which it appeared that Mr. S. A. H. Sitwell had been appointed to succeed Sir Robert Aitken as a Managing Governor of the Imperial Bank as from the 27th January, 1924, and that the Governor of the Bank would be requested to recommend to the Central Board the names of any Bankers of wide experience whom he considered suitable for the position of a Managing Governor in lieu of Sir Bernard Hunter, whose term of office expires in January, 1925.

The

7th November 1923

The Governor mentioned that, although he had so far heard nothing officially, he had written to Sir Basil Blackett informing him that in his opinion Mr. Hornsby of the National Bank of Egypt was the person pre-eminently suited for the position in question.

In this connection and with reference to a previous Minute, the Committee favoured the appointment of a person engaged in commerce to serve on the Advisory Committee in London of the Imperial Bank of India, and the selection was left over until next week.

(3) That he had been asked by the Governor of the Bank of Ireland for advice on various questions which would arise in connection with the proposed revision of their Charter under the laws governing the Irish Free State, and he read letters from the Governor of the Bank of Ireland.

The Committee considered the question of the selection of Governors for the ensuing year, and it was agreed to recommend to the Court that the Governor be invited to continue to serve in his Office for a further year; and that the usual procedure for the selection of a Deputy Governor for the ensuing year be carried out in accordance with the Regulations laid down by the Court on the 30th November 1848.

The Governor gave notice that he would next week raise the question of filling the vacancy on the Court consequent on the death of Sir Henry Babington Smith.

Referring

7th November 1923

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Referring to last week's Minutes, Sir Charles Addis read to the Committee the following Resolutions of the Inter-Imperial Currency Committee, which had been unanimously agreed.

Inter-Imperial Currency Committee.

The Committee, having considered their terms of reference, have unanimously resolved:

(1) That arising as they do from the suspension of an effective gold standard, the difficulties of Inter-Imperial Exchange will disappear when the currencies of Great Britain and the dominions affected are again made convertible into gold.

(2) That it is neither necessary, nor desirable to adopt complicated plans for a new instrument of credit, such as Empire Currency Bills, which involve difficult and disputable constitutional and financial questions.

(3) That where difficulties have arisen in regard to exchange between certain parts of the Empire and between such parts and the United Kingdom

(a) the position could be ameliorated if the note-issuing authorities were to accumulate sterling assets and to undertake to exchange their local currencies for sterling and vice versa.

(b) this measure might be further developed and assisted by the creation of central banks and by mutual co-operation as recommended by the Genoa Conference.

(c) In some cases the bank charges for buying and selling sterling appear to be unduly high and should be capable of reduction.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Mr. Trotter
 Sir Charles Addis and
 The Comptroller

Wednesday, the 14th November, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee

(1) That, referring to last week's Minutes, the Governor of the Bank of Ireland had decided that in view of the many complex questions which would arise it was inexpedient at the present time to apply for the revision of their Charter.

(2) That, present conditions being unfavourable for the immediate issue by the Bank of a loan on behalf of Southern Rhodesia, he had agreed to make an advance of the required amount, to enable them to repay their debt to the British Government, in anticipation of an issue at a more favourable time.

(3) That, with reference to previous Minutes, the Baltic States of Estonia and Latvia had taken no steps to establish a Central Bank in conjunction with Lithuania and had associated themselves separately with the Royal Bank of Scotland; and in these circumstances he was doubtful if the Bank should continue to attempt co-operation and to hold Gold on behalf of the Bank of Latvia as a Central Bank.

(4)

(4) That there was a tendency on the part of Discount Firms to become limited liability companies, with capital reduced below the Partners' responsibility in the old firms, and while in principle no objection could be urged to the proposed change, he would regard unfavourably any such reduction.

Following on the Minutes of last week, the Committee favoured the selection of one of the undermentioned to serve on the Advisory Committee in London of the Imperial Bank of India, viz: -

Reginald Langford James of James Finlay & Co Ltd.
 Sir George Sutherland, Hongkong Bank,
 Sir Marshall Reid, Bombay Company.

The question of filling the vacancy on the Court was discussed and held over until next week.

Minutes of the Staff Committee
 recommending

(1) Appointments

(2) The election of 25 Probationary Clerks to the Permanent Staff

were submitted and referred to the Court, together with a Minute of the Committee on St. Luke's recommending appointments.

It was agreed to recommend to the Court that John Watson, Guard Room Labourer, attached to the Head Gate Porter's Staff, be granted a pension as detailed in a separate Minute.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Mr. Trotter
 Mr. Tunks
 Sir Charles Addis and
 The Comptroller

Wednesday, the 21st November, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate. The Governor read a letter from Mr. Moll, President of the Sveriges Riksbank relating to the recent rise in the Swedish Bank Rate.

The Governor informed the Committee

That, in view of the depreciation of the £ sterling, the Treasury had suggested that it might be advisable, in order to improve the Dollar exchange, to take gold from the Currency Note Reserve and send it to the United States; but the Committee were not of opinion that the course suggested would have the desired effect, and considered that it would be inadvisable to take any such step at the present time.

With reference to previous Minutes, and telegram to he read a letter ~~from~~ ^{to} Mr. Morgenthau, Chairman of the Refugee Settlement Commission, regarding the proposed advance of £1,000,000 to the National Bank of Greece.

CT. 34

He also read a letter to Dr. Vissering regarding a proposal to establish an International

Note

Note Bank for Germany.

The Quarterly Report of the Staff Committee with "Overs" and "Shorts" etc. was submitted and referred to the Court.

It was agreed to recommend to the Court that Joseph Lawrence, Messenger to the Securities Office, be allowed to retire with a Pension on account of ill-health, as detailed in a separate Minute.

It was agreed to subscribe 21 guineas annually to the Metropolitan Convalescent Institution at Bexhill for the benefit of the Porters, Bank Note Stampers, etc. who may be in need of a change of air after illness.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Trotter
Mr. Tranks
Sir Charles Addis
and
The Comptroller

Wednesday, the 28th November, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to meet in Christmas week on Thursday, the 27th December at 11 o'clock; Wednesday, the 26th, being a Bank holiday.

The

28th November 1923

The Governor informed the Committee—

(1) That, with reference to the arrangements made in December 1905 for the management of the Stocks of the Government of India which expired in December 1915 but have been continued from year to year, fresh terms had now been made with the India Office for a period of 7 years as from the 1st January next.

The Committee approved and agreed to recommend to the Court for adoption the revised terms as detailed in a separate Minute.

(2) That it is proposed that in future the Record Office at Rochampton ^{should} be used solely for those records which must be kept permanently, and that it will be necessary to provide another Building for other documents.

It is estimated that a suitable building can be constructed on the site of the Refinery at the St. Luke's Printing Works at a cost of about £35,000. Additional storage accommodation will be required during the rebuilding of the Bank and he proposed that the work should be undertaken forthwith.

The Committee concurred.

It was agreed to recommend to the Court to-morrow that an invitation be extended to the Hon. Alexander Shaw of Messrs. Gray, Dawes & Company, to allow his name to be recommended to the Proprietors to fill the vacancy on the Court consequent on the death of Sir Henry Babington Smith.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Mr. Tiarke
 Sir Charles Addis
 and
 The Comptroller

Wednesday, the 5th December, 1923

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee —

(1) That, owing to the uncertainty of the Exchanges, some of the Bank's foreign clients were gradually withdrawing their balances for conversion into dollars.

(2) That he had had a visit from Mr. Bruce, Prime Minister of the Commonwealth of Australia, who wished for advice regarding the obligations of the Commonwealth Government maturing in 1924, and he read to the Committee a memorandum of the interview.

(3) That he had received an application from Mr. Whigham for permission to join the Board of Investments Administration Ltd. (a private Company), which he proposed to refer to the Court.

It was agreed that the amount carried each Half-Year to the Stock Funds Suspense Account in respect of Inscribed and Registered Stocks should be continued on the present basis, viz: $\frac{1}{2}$ d. % on the amount transferred, but that the rate in respect of Treasury Bills should be reduced by half and should be $\frac{1}{4}$ d. % on the amount issued, as from the 1st March 1924.

On

5th December 1923

On an application from the Agent at Hull, it was agreed to make a special donation of £50 to the Hull Royal Infirmary.

The Governor referred to certain memoranda which he had received from the Treasury on the subject of the shipment of gold to the United States as a means of improving the dollar exchange and, after discussion, the matter was held over for further consideration.

Present

The Governor
The Deputy Governor
Sir Leonard Hambro
Lord Revelstoke
Mr. Trotter
Mr. Tunks
Sir Charles Addis and
The Comptroller.

Wednesday, the 12th December, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, referring to previous Minutes, arrangements were now being completed under the auspices of the League of Nations for the establishment of a Central Bank in the city of Danzig and he read to the Committee a letter to the President of the Bank of Danzig dated 11th December detailing the conditions under which the Bank would be prepared to provide accommodation up to £200,000.

(2) That, with reference to previous Minutes, and in spite of efforts to persuade the Bank of Latvia to adopt the principles of exclusiveness and of Central Banking,

they

12th December 1923

they had now associated themselves with several Banks in London. In these circumstances he proposed to decline their request for an account but to continue temporarily to hold Gold on their behalf as a Central Bank.

He similarly proposed to decline the request of the Bank of Latvia dated 4th December to deal in Exchange on their behalf on the London Market.

(3) That he proposed to inform the Latvian Government in reply to their request dated 8th December, that it would be contrary to the Bank's practice to open a current account or to accept Gold on their behalf.

ET-34 (4) That, with reference to previous Minutes, satisfactory assurances having been received the proposed advance up to £1,000,000 was now at the disposal of the Greek Refugee Settlement Commission.

(5) That he had received an application from Mr. Douro Hoare for permission to join the Board as Deputy Chairman of the Bank of London & South America Ltd., which he proposed to refer to the Court.

(6) That the advance to Messrs. Armstrong Whitworth & Co., now amounted to £1,050,000 and that further amounts would probably be needed up to £1,500,000, mainly in connection with their contracts in Newfoundland.

(7) That the Bank's charges for management of the Public Debt were due for revision by the 31st March next and he thought that it would be in the interests both of the Bank and of the Treasury if the Chancellor of the Exchequer saw his way to set up an informal Committee consisting of, say, Sir Malcolm Ramsay, the Deputy Governor of the Bank and Sir William Plender to enquire into the matter.

(8) That

12th December 1923

(8) That he had had a visit from Mr. Fihelly, Agent General for Queensland, who called with reference to the difficulties connected with the Stock of his Government maturing in London in 1924/5, and he read to the Committee a memorandum of the interview.

CT.95.04

The Governor submitted some notes on the subject of the shipment of Gold to the United States which was before the Committee last week and after discussion the matter was adjourned.

Minutes of the Staff Committee -

1. Recommending Appointments
2. Recommending the election of 17 Probationary Clerks to the Permanent Staff.

and the Quarterly Report on payments made, etc., were submitted and referred to the Court, together with a Report of the Audit Committee on Audits taken by the Audit Department between the 27th July and the 6th November.

It was agreed to recommend to the Court that a Pension be granted according to scale to Charles Wright, a Compositor in St. Luke's Printing Works as detailed in a separate Minute.

Present.

The Governor
The Deputy Governor
Sir Edward Hambro
Lord Revelstoke
Mr. Trotter
Mr. Tunks
Mr. Peacock and
The Comptroller.

Wednesday, the 19th December, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

19th December 1923

150

The Governor informed the Committee -

(1) That, with reference to a previous Minute on the subject of the issue of Foreign loans in London, he thought it would be an advantage if the Chancellor could see his way to make some modification in the restrictions referred to in the letter to the Chairman of the Clearing Bankers of the 1st February, 1922.

(2) That, referring to the Minutes of the 2nd May last, the Bank having already made a refund to the New Zealand Government for Management Charges since 1913, Mr. Massey, the Prime Minister of New Zealand, had now asked for repayment of the Tax, amounting to about £14,000, which had been paid over to the Revenue.

From a Memorandum laid before the Committee it appeared that the New Zealand Government had no justifiable claim for such repayment but he proposed, in view of all the circumstances, to ask the Inland Revenue to refund half the amount.

The usual letter from the Chancellor of the Exchequer applying for advances during the ensuing quarter was submitted and referred to the Court.

With regard to the adjourned discussion which took place at the Meeting of the 12th December on the subject of the shipment of gold to the United States, the Committee were of opinion that it was not desirable to make such special shipments as had been suggested, nor to take any action at the present time.

CT.95.04

With

19th December 1923

With regard to the situation which would arise in the event of the demand for Currency Notes exceeding the limits laid down by the Treasury Minute of the 15th December 1919 the following alternatives were discussed —

(1) that the Treasury Minute should be modified and Currency Notes issued in excess of the present limit, the Government charging the Bank of England 5%, or some higher rate, on any excess issue

(2) that the limit should be observed and that additional demands for Currency Notes should be met by transfers to the Currency Note Account from the Reserve of the Bank of England, the Bank being prepared to raise its Rate to such a figure as would be necessary to protect its Reserve and, in the last resort, to ask the Treasury to authorise an excess Issue of Bank Notes under sec. 3 of the Currency & Bank Notes Act 1914.

The discussion was adjourned.

Present

The Governor
The Deputy Governor
Sir Gerard Hambro
Lord Ruelstoke
Mr. Trotter
Mr. Tunks

No papers in
Bank files.

Thursday, the 20th December, 1923 (at noon)

The Governor having stated that he had had a conversation with the Prime Minister on the previous evening and had since received a letter from him, with reference to the proposal of the British Delegate to nominate the Governor as one of the British representatives to serve on the Committee which is to be appointed by the Reparation Commission to inquire into the means of balancing the German budget and into the measures to be taken to stabilise the German currency —

The

20th December 1923
(noon)

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The Committee resolved

(1) That in view of the political outlook, and of its inevitable effect on the financial situation with the possibility of grave trouble at home and abroad, they could not authorise a prolonged absence of the Governor from his post in London.

(2) That it is their duty to insist that the Governor should devote himself exclusively to the affairs of the Bank during his term of office.

Present

The Governor
The Deputy Governor
Sir Lucas Hambro
Lord Revelstoke
Mr. Trotter
Mr. Danks and
The Comptroller

Thursday Afternoon, the 20th December, 1923
at 2.45 p.m.

The Governor informed the Committee that, since the previous Meeting, he had again seen the Prime Minister, who desired that, before the question was finally settled, the Committee should take into consideration the letter which he had written to the directors of the Bank of England (and which was not before the Committee at their previous Meeting) containing a request that in the event of the Governor being invited by the Reparation Commission to serve on the Committee in question, the directors would consent to his acceptance of the invitation.

The Governor withdrew while the letter was being discussed.

Sir Warren Fisher, Secretary to the Treasury, attended the Meeting and put before the Committee further arguments in support of the Prime Minister's request.

After long discussion, the Committee decided that they would not feel justified in giving their consent, and the Deputy Governor was requested to write accordingly in answer to the Prime Minister.

Present

The Governor
The Deputy Governor
Mr. Trotter
Mr. Tarkes and
The Comptroller

Thursday, the 27th December, 1923.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers etc was read.

It was agreed that the Minutes of the Meetings of the Committee held on the 20th instant and ^x letters from, and to, the Prime Minister of that date be laid before the Court.

^x Read to the Court and entered in full on the Minutes.

Referring to a previous Minute, the Governor informed the Committee that he had now received a formal application from Mr. Peacock for permission to join Messrs. Baring Brothers & Co. Ltd., which he proposed to refer to the Court.

Present.

The Governor
The Deputy Governor
Sir Edward Hambro
Lord Revelstoke
Mr. Trotter
Mr. Tarkes and
The Comptroller.

Wednesday, the 2nd January, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, etc. was read.

The

2nd January 1924

154

The Governor informed the Committee -

1. That he had had several interviews with Dr. Schacht, the new President of the Reichsbank, who had come to London to discuss with the leading Bankers the general financial position of Germany.

2. That he had received a letter from the Banque de Paris et des Pays-bas regarding the establishment of a new Bank of Issue in the Rhenish provinces of Germany, and inviting English Banks to participate.

The Clearing Bankers whom he had previously consulted were not in favour of the suggestion, and he proposed to reply accordingly, stating also that the establishment of the new Bank would be in opposition to the wishes and interests of the Reichsbank.

3. That Sir Robert Kinderley had been good enough to accept the invitation of the Reparation Commission to serve on the Committee to enquire into the means of balancing the German Budget and into the measures to be taken to stabilise German Currency.

4. That he had received an application from Messrs. Antony Gibbs & Sons on behalf of Lord Cullen for permission to join the Board as Chairman of the Rosario Nitrate Company, which he proposed to refer to the Court.

5. That, to facilitate the forthcoming transfer of the Rupee Loans to the Imperial Bank of India, certain officials of the Imperial Bank have been working here, and when the transfer actually takes place two or three of the Clerks from the Bank will go to the Imperial Bank to give further temporary assistance.

N/E
Papers m CT32.

2nd January 1924

It was agreed to recommend to the Court that a pension be granted to A. H. Carpenter of the Bristol Branch, as detailed in a separate Minute.

Present.

The Governor
The Deputy Governor
Sir Everard Hambro
Lord Revelstoke
Mr. Trotter and
The Comptroller

Wednesday, the 9th January, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, with reference to a Minute of 12th December, the Chancellor of the Exchequer did not see his way, in present conditions, to appoint a Committee to enquire into the remuneration of the Bank for the Management of the Public Debt; and that, by a new Treasury Minute the Bank's remuneration would therefore be continued as at present until further notice.

(2) That Mr. W. K. Whigham had been good enough to consent to become a Member of the Trades Facilities Committee in the room of Sir Robert Kindersley.

(3) That, referring to previous Minutes, he had had further interviews with Mr. Bruce, Prime Minister of Australia, and also with Messrs. R. Nivison & Co., in regard to the Queensland Government Stocks falling due for redemption in 1924 & 1925 and he outlined the many difficulties, both political and financial, which obscured the situation and prevented any immediate decision or action.

(4) That

9th January 1924

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CT. 41

(4) That he had received from the Treasury a copy of the Scheme of the League of Nations for the financial reconstruction of Hungary, but that, in view of general conditions and of the fact that charges under the Treaty of Trianon, even though limited in amount, would be payable by Hungary during the currency of the Reconstruction loan, he proposed to state definitely that the Bank could not approve or support the scheme in any way.

The Committee discussed and approved in principle the suggestions contained in a confidential memorandum dated the 5th instant in regard to an advance to the Reichsbank up to a maximum of £5,000,000 for the proposed establishment of a Gold Bank in Germany.

On an application from the widow of Maberly Phillips, a Pensioner, it was agreed to grant her ^{during pleasure} the usual scale allowance of £60 a year.

Present

The Governor
The Deputy Governor
Lord Revelstoke
and
The Comptroller

Wednesday, the 16th January, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

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The Governor informed the Committee—

CT. 38.

(1) That he proposed to charge a nominal fee of 300 guineas for the issue of the recent loan on behalf of Austria.

(2) That

16th January 1924.

(2) That, having arranged with Sir Everard Hambro that he would not seek re-election to the Committee of Treasury for the ensuing year, he hoped the Committee would invite Sir Everard to attend whenever he so desired.

(3) That, with reference to previous Minutes, he read to the Committee a letter dated the 14th January, he proposed to send to the Chairman of the Clearing Bankers in regard to the issue of Foreign Loans in this country on or after the 1st February.

Referring to last week's Minutes, a further draft, dated the 9th instant, of a confidential memorandum on the proposed establishment of a Gold Bank in Germany, was discussed and approved.

Present

The Governor
The Deputy Governor
Lord Rensdake
Mr. Trotter
Mr. Tunks and
The Comptroller.

Wednesday, the 23rd January, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

That since their last meeting he had met Dr. Shacht, in Amsterdam, on his way to Paris to give evidence before the Committee to enquire into the means of balancing the German Budget and had again

discussed

23rd January 1924Paper in
CRB P/11

discussed with him, in confidence, and also with Dr. Vissering, memorandum (C) on the proposed establishment of a "Gold Bank" in Germany. Subject to certain reservations, including agreement as to the Currency in which the Notes of the Gold Bank should be expressed, the memorandum was generally approved by both parties, and Dr. Vissering was hopeful that he would be able to give support to the proposed Gold Bank.

He had then gone to Paris at the urgent request of Sir Robert Knidderley, who desired consideration of the difficult position in which he found himself owing to the application of Dr. Schacht to the Committee for their moral support to the scheme for a "Gold Bank" in Germany, to which scheme Sir Robert had been privy. He understood also from Sir Robert that the Belgians had already proposed their own scheme for a "Gold Bank" in Germany, which had made the position more difficult.

While in Paris he had had a long discussion with Sir John Bradbury who now appeared to be doubtful as to the present expediency of Dr. Schacht's scheme for the establishment of a "Gold Bank."

A letter of resignation was laid before the Committee from Miss Henderson, Assistant to Superintendent of Women Clerks, and it was agreed to recommend that she be granted a pension as detailed in a separate Minute.

It was agreed to refer to the Court the tenth Report of the Committee on the Rebuilding of the Bank.

Present.

The Governor
 The Deputy Governor
 Lord Revelstoke
 Mr. Trotter
 Mr. Tunks
 Mr. Peacock and
 The Comptroller

Wednesday, the 30th January, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee-

(1) That, referring to a previous Minute, the assessment to Income Tax on the Bank's profits had now been made for the present financial year in accordance with the law and he proposed that payment should be made early in April.

(2) That, referring to a previous Minute, he had had a visit from the representatives of the Hungarian Government with reference to the possibility of raising the long-term loan in accordance with the Scheme of the League, and he laid before the Committee a memorandum of the interview.

(3) That, following on last week's Minutes, he had again been to Paris at the request of Sir Robert Knidensley and had discussed with him and Sir Josiah Stamp and also with Sir John Bradbury the position which had since arisen as a result of Dr. Schacht's proposal to the Committee.

A difference of opinion clearly existed between the Bank and the above; which as regards the first two required no settlement until the Committee either had accepted Dr. Schacht's proposal, or had left Berlin- and as regards Sir John Bradbury had been settled with the

30th January 1924

the Chancellor of the Exchequer in terms of a letter which was laid before the Committee.

It was agreed to recommend to the Court that a General Court to consider of a Dividend be held at the Bank on Thursday, the 20th March, and that a General Court for the election of a Governor and Deputy Governor and for the election of Directors be provisionally appointed for Tuesday, the 8th, and Wednesday, the 9th April, respectively.

Also that a pension of £101 : 14 : 4 a year be granted to Henry Lincoln, a Mechanic at St. Luke's Printing Works, as detailed in a separate Minute.

It was agreed to decline an application for a donation from Mr. Courthope of Williams Deacons Bank, on behalf of the Royal Infant Orphanage, Wanstead.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Trotter
Mr. Tinker
Mr. Peacock and
The Comptroller

Wednesday, the 6th February, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That he had received an application from Mr. Spencer-Smith for permission to join the Board of the British Italian Corporation, which he proposed to refer to the Court.

(2) That

6th February 1924

(2) That, contrary to precedent, the Secretary of State for India had appointed, as from the 21st January, a Firm (viz., Messrs. R. Nivison & Company) as his Brokers in the room of Mr. H. H. Scott, who had held the position in his individual capacity, and had recently resigned.

CT. 50. 06

(3) That, in order to assist in the settlement of various financial difficulties which had arisen during and since the War, the Bank, after consultation with the Treasury, had made certain advances and incurred certain contingent liabilities, and he proposed in this connection to establish a separate Suspense Account to be entitled "Reserve for Contingencies."

Note: - This Reserve is intended to cover the following Accounts

A. H. Brandt & Co	guaranteed by H. M. Government
Pinto Leite & Nephews	do do
J. Huth & Co.	part do do
Lloyds Bank Ltd. (re Cox & Co.)	do do do

(4) That, with reference to the recent change of title by the National Provincial Bank Ltd., he had received an assurance from the Board of Trade that no title including the words "Bank of England" will be accepted for registration by the Registrar in England or the Registrar in Scotland without reference to the Bank of England.

(5) That he proposed to decline to subscribe on behalf of the Bank to a Fellowship Scheme which had been established in connexion with the British Empire Exhibition.

(b) That

6th February, 1924

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(b) That he had received a letter dated the 1st February, from Sir Robert Kindersley in Berlin, which he read to the Committee, with further reference to Dr. Schacht's Gold Bank scheme.

He also read a cablegram from the Governor of the South African Reserve Bank regretting inability to participate in the proposed advance owing to restriction in their Constitution.

CT III.

It was agreed to recommend to the Court that the Governor, Mr. Grenfell and Mr. Shaw be requested to serve as Directors of the Securities Trust Limited.

Also to concur in a recommendation of the Committee on St. Luke's in regard to the Provident Burial Fund of the St. Luke's Printing Works, as detailed in a separate Minute.

It was agreed that, in cases where an advance is made by the Bank Provident Society to a clerk on the mortgage of his house of a sum in excess of two-thirds of the value, the Bank should guarantee the Society the amount in excess of two-thirds, subject to certain conditions, as detailed in a separate memorandum.

On an application from the widow of W. A. Young, a pensioner, it was agreed to grant her, during pleasure, the usual scale allowance of £60 a year.

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Trotter
Mr. Marks
Mr. Peacock and
The Comptroller

Wednesday, the 13th February, 1924

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The possible necessity of an alteration at some later date was discussed, in view of general conditions and of the higher rates in almost every other country.

The Governor informed the Committee—

(1) That, referring to a previous Minute, and in view of the decision of the Clearing Bankers each to subscribe £50 to the personal appeal made by Mr. W. F. Courthope on behalf of the Royal Infant Orphanage, Waustead, he proposed to make a similar donation on behalf of the Bank.

(2) That he had been asked to suggest the name of a Director to serve on the Board of the Ionian Bank, and proposed to comply with this request.

(3) That he had been asked to serve on a Committee of representatives of science, politics, etc. to be set up, in connection with the Innes Holding Company, and proposed to ask the Court's permission to accept provided the Committee were generally constituted from the following:—

The Warden of All Souls, Oxford.
The Master of Trinity, Cambridge.
The President of the Royal Society.
The President of the Institute of Chartered Accountants
The Permanent Secretary of the Treasury
The President of the Law Society
The Governor of the Bank.

(4) That

CT 99.

CT. 71. 81

13th February 1924.

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~~(5) That he had received a tel~~

ET III.

(4) That, referring to last week's Minutes, all formalities in connection with the Securities Trust limited had now been completed and a first meeting had been held. An advance of about £900,000 had been made to the Trust and the Bank's pre-moratorium advances to the London Merchant Bank and to Messrs. A. Ruffer & Sons had thus been repaid.

(5) That he had received a telegram dated the 10th February from Sir Robert Kinderley, in Berlin, indicating that the Committee would raise no objection to the formation of Dr. Schacht's Gold Bank.

He also read a telegram from Mr. Morgenthau, Chairman of the Refugee Settlement Commission, Athens, and his reply thereto, on the subject of the political and financial condition of Greece.

(b) That, owing to taxation difficulties, the National Bank proposed to transfer their registered office from London to Dublin and had asked the Clearing Bankers if they would be willing to allow them to retain their position in the Clearing House.

In view of the fact that the National Bank would, by their proposed action, cease to be ultimately amenable to the jurisdiction of the Courts of this Country, he was strongly of opinion that the request should not be granted.

1017
Offer File P52

On the suggestion of the Governor the Committee agreed to retain the services of Mr. Barts for a period of 5 years at a fee of £1,500 per annum, in connexion with the Bank's relations with Central and other Banks abroad; and, with a view to freeing him from debts, to two firms in London, to make him an advance of £7,500 against the above-mentioned fees together with the transfer of an existing charge on sundry Securities held by him in Russia; Mr. Barts agreeing not to undertake any work or to accept any engagement during that period without the sanction of the Bank.

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13th February 1924

A further draft dated the 12th February of the confidential and provisional Memorandum on the proposed establishment of a Gold Bank in Germany was discussed and approved.

In view of the approaching retirement from the Court of Mr. Peacock, it was agreed to recommend that an invitation be extended to Mr. A.C. Gladstone of Messrs. Ogilvy Gillanders & Co. to allow his name to be recommended to the Proprietors to fill the vacancy.

The following Minutes of the Staff Committee were submitted and referred to the Court -

- (1) Recommending Appointments
- (2) " Increases of Salary
- (3) " the election of 21 Probationary Clerks to the Permanent Staff.

(4) Quarterly Report with "Overs and Shorts", together with a Report of the Committee on Advances and Discounts on the discount business of the Bank during the past year.

It was agreed to recommend that a pension according to scale be granted to Joshua Skillecock, a Cashier, as detailed in a separate Minute.

It was agreed to renew the following charitable subscriptions for the current year -

City of London Truss Society	£ 10 : 10 : -
Royal National Life Boat Institution	21 : - : -
Royal Surgical Aid Society	10 : 10 : -
King Edward's Hospital Fund for London	250 : - : -
Queen Victoria's Jubilee Institute for Nurses	10 : 10 : -
City of London Dying in Hospital	10 : 10 : -
Elizabeth Garrett Anderson Hospital for Women Euston, N.W.	50 : - : -
Samaritan Free Hospital for Women, Marylebone Road,	50 : - : -
Guy's Hospital	250 : - : -
Bishop of Stepney (Ex Rector of St. Margaret's, Southwark)	50 : - : -

and to increase the Annual Subscriptions to the Bank's Clerks Orphanage from £52 : 10 : - to £105

105 : - : -
£818 : - : -

also

13th February, 1924

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also to grant a special donation of 10 guineas to the Royal London Ophthalmic Hospital, City Road, for services rendered to certain employees of the Bank at St. Luke's Printing Works, and to decline applications from -

Ross Institute for Tropical Diseases

British Home & Hospital for Incurables, Streatham,

Central London Throat, Nose & Ear Hospital,

Royal Blind Pension Society,

Lord Chelmsford's Appeal on behalf of the British Empire Leprosy Relief Association.

Greater London Fund for the Blind.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Trotter
Mr. Tunks
Mr. Peacock and
The Comptroller

Wednesday, the 20th February, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That he had received an application from Mr. Kitson for permission to join the Boards of the Seabank Chemical Co. Ltd., and the Darlington Rolling Mills Ltd., which he proposed to refer to the Court.

~~1772~~
CT 113.02. (2) That Finance and Renewal Bills were again becoming numerous, in spite of the policy of discrimination against such Bills, as approved by the Court on the 16th November 1922.

CT 114. (3) That for the past two years the Bill business of the Bank had been transacted exclusively by Messrs. Secombe, Marshall & Campion, who were the outcome of Messrs. M. Marshall & Son, and took over their Bill Broking business.

(4) That

20th February 1924

(4) That since their last Meeting Dr. Schacht had been in London and, during the week-end, he had had further long conversations with him and with Sir John Bradbury and Sir Robert Kindersley on the subject of the establishment of a Gold Bank in Germany.

It was agreed to recommend that the General Court for the election of Governors and Directors for the ensuing year be appointed for the 25th and 26th March, instead of the 9th and 10th April as previously suggested.

The following Minutes of the Staff Committee were submitted and referred to the Court—

(1) Recommending appointments, etc.

(2) Reports upon the Classed Staff at the Head Office and Branches;

also a Report of the Committee on St. Luke's on the Classed Staff at St. Luke's, together with the usual quarterly Report of the Audit Committee on Audits taken by the Audit Department.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Trotter
Mr. Tunks
Mr. Peacock and
The Comptroller

Wednesday, the 27th February, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That

27th February 1924

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(1) That the estimated Profits for the Half-Year ending the 29th February, after providing for a dividend of 6%, amounted to £2,310,000, and that he proposed to deal with this surplus as follows, viz: -

To writing down cost of Securities £275,900

To be carried to "Suspense Account -
Reserve for Contingencies"
(in accordance with a
minute of the 6th instant) £1,000,000

To be carried to "Suspense Account -
Rebuilding of Premises" £250,000

To be carried to "Suspense Account -
Provision for Income Tax
and Corporation Profits Tax" £300,000

and to carry the balance to Suspense Account - No. 1.

7.6
(2) That he had had a conversation with and letter from Mr. Nixon, who had accompanied Mr. Hilton Young and Mr. Trotter to Warsaw last autumn to study conditions in Poland and had only recently returned to this country. It appeared that the conditions generally in Poland were very unstable, and that the real reconstruction of that country could best be brought about, in the first place, by building up a Civil Service, which at present does not exist.

It was possible that the Polish Government might ask the Foreign Office to suggest Representatives of the Civil Service ~~to suggest Representatives of the Civil Service~~, the Banks and the Railways of this Country, who would be prepared to enter the service of the Polish Government for a period of, say, 2 years, in an advisory capacity; and in that event he would endeavour to find two persons competent to advise on Banking and Currency and on Railways.

(3) That

27th February 1924.

(3) That, referring to a Minute of the 19th July 1922, as operations at the Branches were still confined almost entirely to dealing with Currency Notes and Coin on behalf of the Government, and to acting as Bankers to the local Banks, the business of Advances, Discounts and private accounts had practically ceased, and seemed unlikely to return.

(4) That, as an exceptional case, he proposed to make an advance to L. J. Sandeman, formerly a Clerk in the Bank, of between £500 and £600 to enable him to discharge an outstanding loan made to him by the Bank Provident Society on his freehold property, and to meet a claim for making up the road adjoining its frontage; the advance to be repaid at the rate of not less than £32 a year, with interest at 4% on the outstanding balance.

CT III.
(5) That, with reference to a letter from H. M. Treasury dated the 25th instant in regard to the Securities Trust, he proposed, in all the circumstances, that the Bank should make a gift of the capital of £1000 to H. M. Government, which sum could not otherwise be provided without the consent of Parliament.

(6) That he had received a letter from Dr. Schacht dated Rosendaal, 21st February, in regard to an advance to the Reichsbank for the establishment of a Gold Discount Bank in Germany, and he read to the Committee his reply thereto, dated the 23rd February.

(7) That the Chief Cashier had gone to Paris at the request of Sir Robert Knidderley, who wished for
advice

27th February, 1924

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advice on the constitution, etc., of Central Banks.

Pursuant to an Order of Court of the 21st February, under which W. J. Coope of the Issue Office, was required to resign, it was agreed to recommend that he be granted a pension, as detailed in a separate Minute.

It was agreed to recommend to the Court that the sum of £307 : 6 : 2, being the loss incurred by the Bank owing to misappropriation of Trust Funds by P. B. Argall, late of the Western Branch, be made good from the Clerks' Guarantee Fund.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Trotter
Mr. Tunks
Mr. Peacock and
The Comptroller

Wednesday, the 5th March, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That he had received a cablegram from Sir Charles Addis, dated Rio de Janeiro 4th March, kindly expressing his willingness to serve on the Committee which is to be appointed to report on the National Debt and the incidence of existing taxation.

(2) That, with reference to a previous Minute, he had intimated to Mr. Meers, Chairman of the National Bank, that, in the event of the National Bank transferring their registered Office from London to Dublin, the Bank would be under the necessity of taking into serious consideration the position and credit of the National Bank both with ^{reference} to their clearing account at the Bank of England, and

to

5th March 1924

to their coming under the ultimate jurisdiction of the Irish Courts and Parliament.

(3) That he had had conversations with Mr. Theodore, Premier of Queensland, who had recently arrived in this Country, in regard to renewing the Queensland Government Stocks falling due for redemption in 1924 and 1925, but that so far no agreement had been reached.

(4) That certain of the Clearing Bankers occasionally brought Bills to the Bank to be discounted; and, while he was of opinion that it would greatly assist the London Money Market if such a practice ^{were} ~~was~~ generally adopted, the need of unusual secrecy presented great difficulties.

ET-41 (5) That, referring to previous Minutes, the Financial Committee of the League had now gone to Budapest to put into operation the internal part of the scheme for the financial reconstruction of Hungary, relying apparently on obtaining later an External loan in London.

(6) That he had received a letter from the Chief Cashier dated Paris 26th February, together with a draft of a Scheme for the formation of a new Bank of Issue in Germany, which evidently contained many provisions which were open to grave objection from the standpoint of Central Banks; and in this connection he read a telegram from Sir Robert Kinderley, received on the 4th instant, asking that, if possible, he would go to Paris to discuss the matter, which he proposed to do unofficially.

(7) That Dr. Schacht had arrived here yesterday afternoon on his way from Paris to Berlin, and had brought

5th March 1924

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brought with him a copy of a signed Minute (which was laid before the Committee) of the Committee on Currency held in Paris on the 3rd instant granting permission to proceed with the formation of a Gold Discount Bank Scheme on the general lines of his suggestions.

A letter of resignation on account of ill-health was laid before the Committee from Mr. H. W. Stuart, 2nd Cashier, and it was agreed to recommend that he be granted a pension, as detailed in a separate Minute.

It was agreed to refer to the Court the Quarterly Report of the Committee on St. Luke's.

Present

The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Janks
Mr. Peacock and
The Comptroller

Wednesday, the 12th March, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The House List of Governors and Directors for the ensuing year was submitted and referred to the Court; together with the Annual Reports by the Secretary on the Samaritan Fund and the Clerks' Guarantee Fund.

It was agreed to recommend that, in view of the increase in the Staff, the Securities held on account of the Clerks' Guarantee Fund be increased from £20,000 to £30,000, as detailed in a separate memorandum.

It

12th March 1924.

It was agreed to refer to the Court the Quarterly Report of the Staff Committee, together with the following Minutes of that Committee, viz: -

1. Recommending appointments.
2. The Election of 22 Probationary Clerks.
3. The Half-Yearly Reports on the Assistants.

It was agreed to recommend that the voting for Members of the Committee of Treasury should take place at the Court on the 27th March, and that the votes should be counted after Court on that day; and further that Directors, who so desired might record their votes for the said Election after making their declaration of Office on Wednesday, the 26th instant.

It was agreed to recommend to the Court that a Drawing Account be opened in the name of the Bank von Sanzig.

The Reports of Messrs. Deloitte, Plender, Griffiths & Co. on the Accounts of St. Luke's Printing Works, the Refinery, and the Works' Department to the 31st December were submitted and referred to the Court, with a Minute of the Committee on St. Luke's recommending a reduction in the Capital Account appearing in the Balance Sheet of the Printing Works.

The Chief Accountant attended the Committee and produced the Accounts of the Bank for the past Half-Year. It was agreed to recommend

to

12th March 1924

To the Court that a Half-year's Dividend of Interest and Profits be made on the 5th April next of £6 per cent less Income Tax.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Tunks
Mr. Peacock and
The Comptroller

Wednesday, the 19th March, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

That he thought it desirable to record on the Minutes the statements recently made in the House of Commons by the Prime Minister and the Chancellor of the Exchequer on the subject of—

- (1) Currency and Foreign Exchanges 18 February, 1924
- (2) Transfer of the Currency Note Issue
to the Bank of England 6 March, 1924
- (3) Amalgamation of Banks 26 February, 1924.

With regard to (1) the Prime Minister said that the Government were still guided by the conclusions of the Committee on Currency and Foreign Exchanges commonly called the Cunliffe Committee.

With regard to (2), as to whether he would take steps to place the right of Note Issue in England exclusively in the hands of the Bank of England, the Chancellor said that he appreciated the advantages of the course suggested but that he was not in a position to make any statement at present.

And as to (3), the Chancellor added that

further

19th March 1924.

further amalgamation of the larger Banks would not be likely to be viewed with favour.

In connection with the Currency Note Issue the Governor raised the question as to the expediency of the appointment of a Committee at an early date to consider terms of amalgamation of the Currency with the Bank Note Issue well before the expiry of the Gold & Silver (Export Control) Act in December 1925.

~~1742~~
CT 113.02
Calc see CT 40

(2) That during the past weeks a proposal had been made to arrange for Finance and Renewal Bills in connection with efforts then being made to strengthen the French Exchange; and that, in addition to expressing strong disapproval of any such proposal, in accordance with Order of Court of 16 November 1922, he had taken steps to request the final repayment of some £4,500,000 Bills of this nature on account of a French Railway which were in the Market.

(3) That, as the Federal Reserve Bank of New York have for some time past kept a sterling account with the Bank, he proposed similarly to maintain a complimentary balance of not less than \$500,000 with them in New York.

(4) That during his last visit to Paris he had appeared privately before the Sub Committee of the Expert Committee, and had pointed out that many of their proposals regarding a new Central Bank for Germany seemed contrary to sound and peaceful principles: and so unsuitable as permanent requirements as to make it unwise for the Bank to give any support to the proposed arrangements.

19th March 1924

A discussion took place on matters mentioned last week at a private meeting of the Directors in regard to the future conduct of the Bank.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Tinker
Sir Charles Addison and
The Comptroller

Wednesday, the 26th March, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, referring to last week's Minutes in connection with the French Exchange, he proposed to draw the attention of the Governor of the Bank of France to an exchange of letters which took place between his predecessor (M. Pallain) and the Bank in April 1916, in which it was agreed that except for the purpose of reimbursing the Bank of England in respect of the credit given to them the Bank of France would neither guarantee nor be responsible for any fresh credit operations in London.

(2) That, with reference to previous Minutes, an Agreement had now been signed for an advance to the Reichsbank of £5,000,000 in connection with the capital of a Gold Discount Bank in Germany.

The usual letter from the Chancellor of the Exchequer applying for advances during the ensuing quarter was submitted and referred to the Court.

N/E.

Paper in C.T. 40.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Tinker
 Mr. Booth
 Sir Charles Addis
 Mr. Wallace and
 The Comptroller

CT 99

Wednesday, the 2nd April, 1924.

The proceedings of the last Committee were read and agreed.

The Governor raised the question as to Bank Rate policy in the near future, in view of -

1. The absence of improvement in the American Exchange, which had for some time been stationary at about \$4.30.
2. Excessive issues of foreign loans at relatively low prices.
3. The widespread demand for higher wages, the effect of which would be to increase prices and currency.

In the meantime it was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That, in spite of every precaution taken by the Bank, particulars of the 4½% Conversion Loan had leaked out through negligence on the part of the Post Office.

As regards the Bank's holding of 5% War Stock, he proposed to convert it into the new loan.

(2) That during the past week he had had long and frequent meetings with Mr. Theodore and others concerned with the Queensland dispute and had offered Mr. Theodore the sum of £10/20,000 (to be deducted from commission for issue due to the Bank) to be given as an outward and visible sign of his regret if necessary to effect a settlement, but that a settlement based solely on "stabilisation" of Rents had at last been accepted by the Pastoralists and the

Chamber

2nd April 1924.

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Chamber of Commerce, and the Governor hoped that it might be possible at an early date to issue a short loan to cover maturities in July next.

ET. 41

(3) That, referring to previous Minutes, further discussion had taken place on the return of the Financial Commission from Buda Pesth as to the League's Scheme for Hungary, and he had protested, especially to Sir Henry Strakosch, that the provision for payment of any Treaty Charges before complete repayment of a loan could only ensure opposition to the issue of a Hungarian loan in London.

Proposals for the appointment of Committees etc. for the current year were submitted and referred to the Court.

Letters of resignation were laid before the Committee from Mr. H. S. Voigt and Mr. S. M. Junior, Cashiers, and it was agreed to recommend to the Court that they be granted pensions, as detailed in a separate Minute.

It was agreed to recommend that the sum of £149:5:1, being the loss incurred by the Bank in connection with theft of Dividend Warrants by J. J. Targett, dismissed the service, be made good from the Clerks' Guarantee Fund.

Present

The Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Tunks
 Mr. Booth
 Sir Charles Addis
 Mr. Wallace, and
 The Comptroller

Wednesday, the 9th April, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

* Board of Trade figures
 published in Economist,
 9th February 1924.

(1) That too many demands were being made to obtain foreign loans here in the near future and that, in view of the Exchanges and of the over-lending by this Country in 1923, he was strongly of opinion that only applications on behalf of those countries which were in need of money for reconstruction purposes deserved consideration.

(2) That he had agreed to advance to the Queensland Government the amount necessary to meet the expenses of issue of their short-term loan.

With reference to the recent advance of £5,000,000 to the Reichsbank in connection with the capital of the Gold Discount Bank in Germany, he laid before the Committee copies of the confidential and secret correspondence which had passed between the Bank and the Reichsbank. He was hopeful that the Bank of Ireland and the Netherlands Bank would accept participation which he had offered them as well as others in the advance already made by the Bank, and, at his request, the Chief Cashier was proceeding

9th April 1924

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proceeding to Amsterdam and Stockholm, and Mr. Park to Berne and Vienna, in order to further this object.

The Governor raised the question as to the advisability of the appointment by the Treasury of a Committee and, if so when, to consider whether the Currency Note should be amalgamated with the Bank Note Issue, in view of the expiry of the Gold and Silver Export (Control) Act in December 1925 and, after discussion, the matter was left over until next week.

It was agreed to recommend to the Court for approval the agreement with the Reichsbank, dated the 25th March.

It was agreed to decline an application for a donation on behalf of the League of Nations Union.

On an application from L. W. Barnby, a Pensioner, it was agreed to recommend that, as a special case, he be allowed to commute £22:5:- of his pension for a cash payment of £266:12:- to enable him to take up a position in America.

Present

The Governor
The Deputy Governor
Lord Cullen of Ashbourne
Mr. Tinker
Mr. Booth
Sir Charles Addis
Mr. Wallace and
The Comptroller

Wednesday, the 16th April, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

16th April 1924

The Governor informed the Committee -

CT. 45.01
- CT 99.

(1) That, referring to last week's Minutes, he believed that further attempts would be made to issue foreign loans in London for purposes other than reconstruction; he considered that in order to restrict such issues, it might become necessary to raise the Bank Rate, and he had so advised the Chancellor of the Exchequer.

(2) That, if it was decided to put in operation the plans of the Report of the Expert Committee, a foreign loan would be required for Germany, and he thought it was not only advisable but necessary for the Bank to take the leading part in floating such a loan in this country.

(3) That, with reference to the Minutes of the 13th February, he had only been able to suggest the name of Mr. Bank as a Director who would be really suitable to serve on the Board of the Ionian Bank - a name which did not seem to have the approval of the Board.

The Governor laid before the Committee a Report from the Committee on Advances and Discounts in regard to the Imperial Ottoman Bank, whose privileges in regard to Acceptances had been in abeyance since the outbreak of War in 1914. It appeared that for the past 60 years the Bank had discounted for them and had taken their Acceptances, and although the Imperial Ottoman Bank is registered in Turkey, and partly under French influence, it was a question for consideration whether the former privileges should be restored so soon as the Treaty with Turkey is ratified, subject however to their name coming before

the

16th April 1924

the Discount Committee once a year.

The question was left over for further consideration.

Further discussion took place on the subject of the appointment by the Chancellor of a Committee to consider whether, and on what terms, the Currency and Bank Note Issues should be amalgamated, and it was agreed, particularly in view of the situation which might arise out of the Report of the Expert Committee, to advise the Chancellor to appoint a small committee at an early date to consider the matter.

It was agreed to recommend to the Court that a Drawing Account be opened for the German Golddiskontbank.

The following Minutes of the Staff Committee were submitted and referred to the Court -

- (1) Recommending appointments, etc.
- (2) The election of 28 Probationary Clerks to the Permanent Staff.

Together with a Report of the Committee on Advances and Discounts recommending the grading of two Firms.

On an application from the widow of W. G. Mander, a Porter, it was agreed to grant her the usual scale allowance of £18 a year.

The question of the remuneration of the Governor, Deputy Governor and Directors was discussed and adjourned.

CT-70-01

Present

The Deputy Governor
 Lord Cullen of Ashbourne
 Mr. Tiarke
 Sir Charles Addis and
 The Comptroller.

Wednesday, the 23rd April, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend that a pension, according to scale, be granted to George Hamilton Christian, a Cashier, as detailed in a separate Minute.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Tiarke
 Sir Charles Addis
 Mr. Wallace
 and
 The Comptroller

Wednesday, the 30th April, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The usual Quarterly Report of the Staff Committee with "Overs" and "Shorts" was submitted and referred to the Court.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Tiarke
 Sir Charles Addis
 Mr. Wallace and
 The Comptroller

Wednesday, the 7th May, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

7th May 1924

The Governor informed the Committee—

CT. 41

(1) That, referring to previous Minutes, further discussion had taken place in regard to the League's scheme for Hungary, and that he expected to receive a request from H. M. Government that every assistance should be given to the issue of a loan in London.

CT. 34.

(2) That, with reference to previous Minutes and in view of the improvement in the stability of the economic and political situation in Greece, he proposed, pending the issue of a Greek loan, to make a further advance of £1,000,000 to the National Bank of Greece on the same terms and conditions as those for the previous loan, to enable the Refugee Settlement Commission to proceed with their work under the general scheme adopted by the League of Nations.

(3) That the Accounts of the Bank of England Operatic, Dramatic and Orchestral Society for the past year shewed a loss of £76 : 11 : 9, and that he proposed to make this amount good to the Society.

It was agreed to recommend that a pension of £182 : 6 : 8, according to scale, be granted to Henry Dicken, Head Gate Porter, as from the 7th May when he attains the age of 65, together with a gratuity of £250 in consideration of the special value of his services during the War.

Also that a pension of £30 a year be granted to Mrs. Dicken, who has been Housekeeper for the past 10 years.

The usual Quarterly Report of the Audit Committee was submitted and referred to the Court.

7th May 1924CT99.
CT90.02

The Governor called attention to the difference between Bank Rate and the Bankers' deposit rate, which was now 2%, instead of 1½% as formerly, and which in his opinion was having an unfavourable effect upon the satisfactory working of the Money Market; and he proposed to bring the matter forward for discussion at a subsequent meeting.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Tunks
Sir Robert Kindersley
Sir Charles Adair
Mr. Wallace
and
The Comptroller

Wednesday, the 14th May, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That, with reference to previous Minutes, the Chancellor of the Exchequer had now decided to appoint a private Committee to advise him on the question of the amalgamation of the Currency Note and Bank Note Issues.

(2) That, with reference to previous Minutes, a request had been made by Mr. Theodore, on the eve of his return to Queensland, for an advance from the Bank to his Government up to, say, £2,000,000 as and when required.

The Committee agreed in principle but suggested that if such an undertaking were given it should be subject to qualification—e.g. as to limit of time, the extent of the Government's borrowing powers, the prospect of the issue of a loan, etc.

The

14th May 1924

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N/E.
calls in CT 38.

The Governor laid before the Committee copies of telegrams received from Dr. Reisch of the Austrian National Bank dated the 2nd May and from Dr. Gimmelman dated the 3rd May and of his reply thereto dated the 6th May in connection with recent financial difficulties caused by speculations in Vienna.

Mr. Spencer-Smith attended the Committee and gave an account of the affairs of the Anglo Austrian Bank since its re-constitution. He expressed confidence in the stability and future of the Bank, which was shared both by the Chairman and Mr. Bank, although much of its money had always been immobilised in Austria. They desired to develop the Bank on British rather than Continental lines and while gradually liquidating its position in Austria to increase its business in the adjacent countries, for which purpose it needed more capital or the temporary command of more money. The Committee agreed that the Bank should give further financial support to the Anglo Austrian Bank: and, in view of the impracticability of raising fresh capital at the present time, should in conjunction with its other Bankers place at its disposal a credit up to £1,000,000 on the security of shares in Foreign and Industrial undertakings.

Minutes of the Staff Committee were submitted and referred to the Court recommending

1. Appointments
2. The election of 16 Probationary Clerks to the Permanent Staff.

On an appeal on behalf of the Young Women's Christian Association for a subscription towards the scheme for the foundation of a Central Club Building for Women employed in Banks, etc., it was agreed to

recommend

14th May, 1924

recommend the Court to grant a sum of £1000 in support of the scheme.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Hawks
Sir Robert Kinderley
Sir Charles Addison
Mr. Wallace
The Comptroller, and
Sir Gerard Hambro.

Wednesday, the 21st May, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

(1) That he had received an application from Mr. Goschen for permission to join the Board of the Bank of Australasia, which he proposed to refer to the Court.

(2) That, with reference to the recent advance to the Reichsbank in connection with the capital of the Gold Discount Bank in Germany, the following had participated in the advance, viz: -

Bank of Ireland	£250,000
Bank of Japan	500,000
Swedish Riksbank	100,000
Austrian National Bank	500,000
Netherlands Bank	500,000

leaving the Bank's share at £3,150,000.

The Bank of Italy and the National Banks of Switzerland had been unable, owing to their constitution to participate in the scheme, while the Norges Bank had declined for domestic reasons.

(3) That the Bank of France had repaid £2,500,000; while on the other hand "Other Securities" had been increased by purchases of £400,000 Czecho Slovak State Bonds and £100,000 4½% Sudan Loan.

(4) That

21st May 1924

(4) That, with reference to the proposal to transfer the Registered Office of the National Bank from London to Dublin, he had now been informed that it was not proposed to proceed further in the matter.

CT 99.

(5) That since the middle of April he had continued to receive information of impending Government or Municipal Foreign Issues other than in connection with reconstruction and, while he desired that the market in London should remain free, he had in each case stated that any such issue would immediately be followed by a rise in the Bank Rate.

(b) That, in the event of a Rediscount Credit being granted to the Gold Discount Bank by an approved syndicate in London (on lines similar to those already arranged through the Federal Reserve Bank, New York), he would agree, as an exception, to receive for discount for the direct account of members of the syndicate such approved German Bills, drawn in sterling and domiciled in London, as might be remitted in terms of the Credit, up to a limit of £5,000,000.

N/E

Papers in CT 32.

(7) That, in view of the death of Sir Bernard Hunter, a Managing Governor of the Imperial Bank of India, he had received a cablegram from Sir Basil Blackett requesting him to suggest the name of a suitable person who would act as Adviser for one year. It appeared that the appointment of Mr. Hornsby, who he suggested more than six months ago as the person pre-eminently suited to succeed Sir Bernard Hunter in January 1925, would not be regarded with favour in India.

He had accordingly informed Sir Basil Blackett that, while he knew of no London Banker with experience of Central Banking who could act in that capacity, he would endeavour to make a suggestion.

(8) That

21st May 1924

(5) That, in view of the Committee to be set up by the Chancellor on the question of amalgamating the Bank Note and Currency Note Issues, it was desirable to determine what arrangements the Bank would recommend if the amalgamation were to take place.

A discussion took place, and it was arranged that a memorandum of the principal questions to be decided should be circulated before the next meeting.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Allen of Ashbourne
Mr. Janks
Sir Robert Kindersley
Sir Charles Addis
Mr. Wallace
The Comptroller and
Sir Edward Hambro

Wednesday, the 28th May, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee—

(1) That he had received a friendly visit from Mr. Goodenough and Sir Malcolm Hogg, who asked on behalf of the India Council for a reduction in the price which the Bank were charging for the Rs. 10 notes. The question had been considered by the St. Luke's Committee and the price would be reduced.

(2) That, with the concurrence of the Chairman of the Stock Exchange Committee, he had written a personal note to the Rumanian Minister in London, on the subject of the transfer from one list to another by the Stock Exchange Committee of the Rumanian Government 4½% loan of 1913.

(3) That

28th May 1924

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(3) That, referring to last week's Minutes, he proposed to suggest the name of Sir Herbert Hambling for the position of Adviser to the Imperial Bank of India.

(4) That during the next 6 years about £6,000,000 Government Securities belonging to the Bank would mature, and £8,000,000 in 1931 and 1932; and that under the heading of "other Securities" the following reductions would take place, viz: -

1925	£6,000,000
1926	£7,000,000
1927	£8,000,000
1928	£9,000,000
1929	£10,000,000
1930	£10,000,000

C.T. 41

It was agreed to recommend to the Court of Directors to approve a commitment in one form or another, not exceeding £4,000,000, if so requested by the Chancellor of the Exchequer, towards the provision of the entire Foreign Loan estimated to be needed for the reconstruction of Hungary under the scheme of the League of Nations; and, if necessary, to make advances in anticipation of the above commitment and of the provision of definite security.

Also to recommend that the following be appointed to serve as Members of the Advisory Council of Directors and Staff for the current year, viz: -

Lord Revelstoke (Chairman)
Mr. Lubbock
Mr. Wallace
Mr. Whitworth
Mr. Walker
Mr. Mahon

Further

28th May 1924

Further discussion took place as to the course which the Bank would recommend, if called upon to give evidence before the Committee to be appointed to consider the question of the amalgamation of the Currency and Bank Note Issues, and it was suggested for further consideration.

(1) That it is desirable to amalgamate the two Issues.

(2) That at a date to be agreed upon by the Bank and the Treasury, and on terms to be arranged, the Currency Note Issue be replaced by an Issue of Bank of England £1 and 10^s Notes.

(3) That no attempt should be made at present to fix the ultimate amount of the Fiduciary Issue.

(4) That the prohibition of the export of Gold, which expires 31st December 1925, should not be extended, and that the Chancellor of the Exchequer should make an announcement to that effect.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Tansley
Sir Robert Kindersley
Sir Charles Addis
Mr. Wallace
The Comptroller and
Sir Edward Hambro

Wednesday, the 4th June 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee-

(1) That, referring to last week's Minutes, he
had

4th June 1924

CT. 41.

had received a letter from the Chancellor of the Exchequer dated 29th May, which he read, asking for the Bank's participation in the Foreign Loan to be raised on behalf of Hungary. He also read a letter from Mr. R. L. Newman expressing disapproval of the proposed advance to be made to Hungary.

(2) That, in the event of a material increase in the Currency Note circulation, he proposed to suggest to the Treasury that a transfer be made of £500,000/£1,000,000 Bank Notes to the Currency Note Reserve Account.

A letter of resignation was laid before the Committee from Miss Flora Birrell, Deputy Superintendent of Women Clerks, and it was agreed to recommend that she be granted a pension, as detailed in a separate Minute.

Further discussion on the question of the amalgamation of the Bank Note and Currency Note Issues took place, and was adjourned.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Tunks
Sir Robert Knidensley
Sir Charles Addis
Mr. Wallace
The Comptroller and
Sir Edward Hambro

Wednesday, the 11th June, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Governor informed the Committee -

That

11th June 1924

That, referring to last week's Minutes, the Treasury had not seen their way in present circumstances to adopt the suggestion that a transfer be made of Bank Notes to the Currency Note Reserve Account.

A discussion took place as to the Bills to be approved under the Rediscount Credit of the Bank of Danzig, referred to in previous Minutes, and further discussion on the question of the amalgamation of the Bank Note and Currency Note Issues.

Present:-

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Liarks
Mr. Booth
Sir Charles Addis
Mr. Wallace and
The Comptroller.

Wednesday, the 18th June, 1924.

The proceedings of the last committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

A letter of resignation was laid before the committee from Mr. James Harvey Brand, Agent at the Leeds Branch, and it was agreed to recommend to the Court that he be granted, during pleasure, a pension of £850 a year as from the 1st September next.

It was agreed to refer to the Court of Directors Minutes of the Staff Committee recommending-

18th June, 1924.

(1) Appointments, etc.,

(2) The election of 14 Probationary clerks to the
Permanent Staff,

together with the usual Quarterly Report of that Committee.

Also a letter from the Chancellor of the Exchequer applying
for Advances during the ensuing Quarter.

Further discussion took place on the question
of the amalgamation of the Bank Note and Currency
Note Issues.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Tinker
Sir Robert Kindersley
Mr. Booth
Sir Charles Adlis and
The Comptroller

Monday, the 23rd June, 1924.

The proceedings of the last Committee
were read and agreed.

Further discussion took place as to the
course which the Bank would recommend, if called
upon to give evidence before the Committee appointed
to consider the question of the amalgamation of the
Currency and Bank Note Issues.

The following course was agreed:

(1) That at the earliest practicable date gold for
export should be freely obtainable at the Bank.

(2) That thereafter at a date and on terms and
conditions to be arranged between the Bank and the
Treasury the Currency Note Issue should be replaced
by an Issue of Bank of England £1 and 10/- Notes.

(3) That

23rd June 1924

(3) That no attempt should be made at present to fix the ultimate amount of the Fiduciary Issue.

(4) That gold now or hereafter in the possession of other Bankers should by arrangement with the Chancellor be paid in to the Bank of England.

The Committee also discussed the question as to whether, on the expiry of the prohibition of the export of gold, Notes should continue to be freely convertible into coin; or whether, in order to protect the central reserve from withdrawals for internal circulation, Notes should only be convertible into Bullion for purposes of export, in quantities of not less than, say, 400 ounces.

It was felt that there were grave objections to interfering by Statute with the convertibility of Bank Notes, and that if it were the policy of the Bankers to pay in to the Bank any gold in their possession, it was unlikely that any large quantity would be taken for internal circulation.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Danks
Mr. Booth
Sir Charles Addis
Mr. Wallace
The Comptroller and
Sir Bernard Hambro

Wednesday, the 25th June, 1924.

The proceedings of the Committee of Monday last were read and agreed.

The

25th June 1924

The policy of a return to the Gold Standard being thus unanimously agreed, the Committee were of opinion that it would be in the general interests that any Member of the Treasury Committee should be free to give evidence before the Chancellor's Committee and express his personal views.

The Governor mentioned that he had sanctioned the opening of a Drawing Account in the name of the National Bank of Hungary, and in this connection it had been necessary to open a temporary account for a few days in the name of the Royal Hungarian State Note Institution, which Institution was being succeeded by the National Bank of Hungary.

On an application from the East Worcestershire Waterworks Company, valued customers of the Birmingham Branch, who are about to make an issue by tender of £20,000 5½% Irredeemable Preference Stock, it was agreed to recommend to the Court to allow the name of the Bank to appear on the prospectus as Bankers to the Company.

Present

A full Committee
The Comptroller and
Sir Gerard Hambro

Wednesday, the 2nd July, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The

2nd July 1924

The Governor informed the Committee—

(1) That, since the last Meeting he had given evidence before Mr. Chamberlain's Committee on the lines of last week's Minutes. Evidence had also been given by Sir Charles Addis.

(2) That, with reference to the recent advance of £4,000,000 to the National Bank of Hungary, arrangements were being made which would lead to an early reduction in the amount.

CT. 41

Present

The Governor
The Deputy Governor
Lord Rensdake
Lord Cullen of Ashbourne
Mr. Tunks
Mr. Booth
Sir Charles Addis
Mr. Wallace
The Comptroller and
Sir Gerard Hambro

CT 99

Wednesday, the 9th July, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate, but that firm market conditions should be maintained over the next few weeks.

It was agreed to refer to the Court a Minute of the Committee on St. Luke's recommending an appointment, together with a Minute of the Committee on Advances and Discounts in regard to the Account of King & Co.

On an application from the Widow of E B Graves, formerly of the Private Drawing Office, it was agreed to continue to her for a further period of one year only the allowance of £50 granted to her in 1919 for the education of her children.

The

9th July 1924N/E.
Paper in CT 27

The Governor laid before the Committee a memorandum of his interview with M. Steinmann, who had called on the introduction of Mr. Bonsonby, Under Secretary of State for Foreign Affairs.

Present

A full Committee
The Comptroller &
Sir Gerard Hambro

Wednesday, the 16th July 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

CT. 135.

The Governor laid before the Committee the letter from the Federation of British Industries dated the 9th July, which was read to the Court on the 10th July, and called attention to the fact (already noted in the "Morning Post") that the letter was misleading as, while purporting to give a complete quotation from the Cunliffe Report, it omitted certain qualifying words without any indication that such omission had been made.

CT 99.

He also read a letter, dated the 15th July, from the Association of British Chambers of Commerce, expressing their fullest confidence in the judgment of the Bank Court in regard to Bank Rate policy, which he proposed to lay before the Court.

The Governor informed the Committee—

CT. 77.

(1) That, in view of the agreement with Messrs. Mullens, Marshall & Co. in March 1922, he had declined to put forward a request that their name might appear in a prospectus of preference shares to be issued

by

15th July 1924

by Harland & Wolff Ltd.

(2) That, owing to carelessness, the participants in the Credit to the Gold Discount Bank mentioned in the Minutes of the 21st May, had, to his regret, been found to include Messrs. M. Samuel & Co. Ltd. - a firm in whose name an account at the Bank had never been opened.

The Governor explained to the Committee the system and terms on which money was regularly employed from day to day in Treasury Bills on behalf of Central Banks.

He also read to the Committee copies of cablegrams which had passed between himself and Sir Basil Blackett in connection with the Imperial Bank of India.

N/E.
cables in CT 32.

In view of the special appeal about to be made on the occasion of the Bicentenary of Guy's Hospital, it was agreed to recommend to the Court of Directors that a donation of 1,000 guineas be made to the Funds of the Hospital. Also to contribute a sum, not exceeding £500, to the amount, viz: £3,000, which the Clearing Bankers were proposing to subscribe towards the endowment of the new Obstetric Hospital, which is to complete the scheme of the Rockefeller Foundation for the establishment of a centre in London for Medical Education and Research.

The Committee felt that on principle it was desirable that the number of such donations should be kept within the narrowest possible limits.

Minutes

16th July, 1924

Minutes of the Staff Committee were submitted and referred to the Court recommending—

- (1) Appointments,
- (2) The Election of 14 Probationary Clerks to the Permanent Staff.

It was agreed to recommend that a pension of £119 : 6 : 4 a year, according to scale, be granted to R. H. Furzey, a Gate Porter, who will attain the age of 65 on the 19th July.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Allen of Ashbourne
 Mr. Frank
 Mr. Booth
 Sir Charles Adde
 Mr. Wallace
 The Comptroller and
 Sir Oswald Hambro

Wednesday, the 23rd July, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Deputy Governor informed the Committee

(1) That the Governor had received a request from the Bank of Poland, who already have 5 accounts in London, that an account might be opened for them at the Bank of England, but he had declined, as in other cases, to accede to their request unless they were prepared to transact their banking business in London exclusively through the Bank of England.

(2) That at the Meeting of the Clearing Bankers on the 17th July the Governor had raised the question whether it would not be advantageous both to the

financial

23rd July 1924

financial community and to themselves -

1. To abolish their regular weekly calling of money for purposes of balance sheets, and
- (2) To raise the advertised Deposit Rate in London to $1\frac{1}{2}\%$ below Bank Rate.

The Clearing Bankers undertook to give the matter their consideration.

(3) That he had granted permission to Messrs. G. G. Sandeman Sons & Co. Ltd., Customers of the Bank, to use the Bank's vote at a Meeting of the Bodega Company Ltd. on the 24th instant in respect of Shares in that Company which had been pledged by them as security for possible advances and which are at the present time free from any lien.

It was agreed to recommend to the Court that a General Court to consider of a dividend be held at the Bank on Thursday, the 18th September.

The Quarterly Report of the Staff Committee with "Overs & Shorts" was submitted and referred to the Court.

The Governor then joined the Committee, and informed them in detail of the course of the discussions which had taken place at the Inter Allied Conference now being held in London on the subject of the Dawes Report, and of the conditions precedent to negotiations with the Germans, which were in the opinion of Mr. Lamont and himself desirable for an issue of the proposed international loan for Germany.

Present

The Deputy Governor
 Lord Cullen of Ailsburg
 Sir Robert Kinderley
 Mr. Booth
 Sir Charles Addis
 Mr. Wallace and
 The Comptroller

Wednesday, the 30th July, 1924.

The proceedings of the last Committee were read and agreed.

It was agreed that no alteration be recommended in the Bank Rate.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, &c. was read.

The Governor then joined the Committee and again informed them of the course of the discussions at the Inter-Allied Conference, drawing attention to Mr. Lamont's letters to the Prime Minister of the 12th and 25th instant, and of the present position regarding the proposed International Loan to Germany.

*Pages in
 CBP/16*

