

COMMITTEE OF TREASURY

MINUTE BOOK

49



Present

The Deputy Governor
 Lord Cullen of Ashbourne
 Mr. Danks
 Sir Robert Kindersley
 Mr. Booth
 Sir Charles Adair
 Mr. Wallace
 The Comptroller

Wednesday, the 6th August, 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 usual Quarterly Report of the Audit Committee was submitted and referred to the Court.

It was agreed to recommend that pensions according to scale be granted to Hugh H. Potter, a Cashier, and Joseph W. Starr, a Machinist at St Luke's Printing Works, as detailed in a separate Minute.

CT-34

The Deputy Governor informed the Committee that the further loan of £1,000,000 to the National Bank of Greece, referred to in the Minutes of the 7th May last, had been made during the past week.

* With Committee of Treasury papers 1924.

CT-45.01

The Governor then joined the Committee and read a memorandum explaining the present position in regard to the proposed international loan to Germany and detailing the difficulties which must be satisfactorily settled before negotiations for the issue of the loan can begin.

Present

The Deputy Governor
 Lord Allen of Ashbourne
 Mr. Janks
 Sir Robert Kindersley
 Mr. Booth
 Mr. Wallace
 The Comptroller
 and
 Sir Edward Hambro

Wednesday, the 13th August, 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.

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

The Governor then joined the Committee and acquainted them with the progress made during the past week and the present position regarding the proposed International Loan to Germany.

ET 45.01

Present

The Deputy Governor
 Mr. Janks
 Sir Robert Kindersley
 Mr. Booth
 Mr. Wallace
 The Comptroller and
 Sir Edward Hambro

Wednesday, the 20th August, 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

20th August 1924

ET. 45-01.
Paper in C88/16

The Deputy Governor read to the Committee a letter from the Governor to Mr Lament, dated the 16th August 1924, with regard to the result of the recent Conference, and Sir Robert Knickerley informed the Committee of the present situation and of the steps that are being taken to carry out the scheme of the Dawes Report.

Present

The Deputy Governor
Lord Cullen of Ashbourne
Mr. Danks
Mr. Booth
The Comptroller and
Sir Gerard Hambro

Wednesday, the 27th August, 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.

On an application from the widow of Thomas Inby, a pensioner, it was agreed to grant her, during pleasure, the usual scale allowance of £60 a year.

The Deputy Governor informed the Committee -

(1) That the estimated profits for the Half Year ending the 31st August, after providing for a dividend of 6%, amounted to £2,600,000, and that he proposed to deal with this surplus as follows, viz: -

in

27th August 1924

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In writing down Securities	£426,485
Suspense a/c rebuilding premises	250,000
Suspense a/c Provision for Income Tax and Corporation Profits Tax	1,200,000
Suspense a/c No. 1	723,515

CT. 34

(2) That he had refused a request from Mr. Morgenthau for a further advance to the National Bank of Greece of £500,000 for the purposes of the Greek Refugee Settlement Commission.

Present

The Deputy Governor
and Clerk of Ashbourne
Mr. Tianso
Mr. Booth
Mr. Charles Adair
Mr. Wallace
and
The Comptroller

Wednesday, the 3rd September 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 Quarterly Report of the St Luke's Committee and a Minute in regard to the rate of Overtime for Auxiliary Clerks at St Luke's were submitted and referred to the Court.

Present

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

Wednesday, the 10th September, 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—

That it was proposed to rebuild the Bank's Restaurant in Tokenhouse Yard in order to provide accommodation sufficient for the Bank's Staff in the future. The cost as estimated by Mr. Troup would be (1) for the structure £30,950 and (2) for equipment £19,125.

A Minute of the Staff Committee recommending appointments and the Quarterly Report on payments made etc., together with the Half Yearly Report upon the Assistants were submitted and referred to the Court.

The Reports of Messrs. Deloitte, Plender & Griffiths on the accounts of St. Luke's Printing Works and the Works Department to the 30th June were submitted and referred to the Court.

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 6th October next of £6 per cent less Income Tax.

Present

The Governor
The Deputy Governor
Lord Allen of Ashbourne
Mr. Jinks
Mr. Booth, and
The Comptroller

Wednesday, the 17th September, 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) Of the course of events since the London Conference, including the receipt of a letter from H. M. Treasury dated the 20th August and of a letter from the President of the Reichsbank dated the 13th September, and stated his intention (in conjunction with Messrs. J. P. Morgan & Co.) to conclude negotiations for the Dawes loan only after a satisfactory statement should have been made in respect of the military evacuation of (a) the Ruhr and (b) the Cologne Area.

(2) That for account of the Federal Reserve Bank he was now employing monies under the usual conditions and also investing in Bills under the Bank's guarantee, but (in accordance with clause 4 of Agreement of May 1917) without charge therefor.

(3) That, with reference to a previous Minute regarding Messrs. A. H. Brandt & Co. the senior partner having died and the greater part of their advance on pre-moratorium Bills having been repaid, they now found themselves in so straitened a position as might hereafter lead to questions as to the claims of other creditors in consequence of the repayments to the Bank.

(4) That

CT 45-01

- Papers in CBP/16

N/E

Papers in CT 44

17th September 1924

OT 71.01

(4) That, referring to previous Minutes, Sir Norcot Warren had temporarily been appointed a Managing Governor of the Imperial Bank in the room of Mr. Sitwell, Acting Managing Governor, who had been transferred to London to succeed Sir Norcot Warren. Further, that the Advisory Committee in London of the Imperial Bank would consist of Mr. Sitwell, Sir Malcolm Hogg, and himself.

On an appeal from the Lord Mayor it was agreed to recommend to the Court of Directors that a donation not exceeding £500 be made, as a special case, to the Fund which has been opened at the Mansion House for the relief of sufferers by the recent hurricane in the Leeward Islands.

Present -

The Governor
 Lord Revelstoke
 Lord Cullen of
 Ashbourne
 Mr. Danks
 Sir Robert Kindersley
 Mr. Booth
 Sir Charles Adair
 Mr. Wallace, and
 The Comptroller.

Wednesday, the 24th September, 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, in answer to an enquiry regarding the prohibition against the carrying on of
 banking

th
24th September 1921

banking business in the United Kingdom for the benefit or under the control of a German National for 5 years from the 31st August 1921, and thereafter until Parliament may otherwise determine, he would warn the Treasury to expect general opposition to any immediate proposal to repeal the prohibition, a repeal which might perhaps be proposed without opposition or even comment at the end of the five year period.

(2) That the New York Clearing House Association had finally decided to present to the Bank the Houblon Tankard now in their possession.

(3) That he had suspended George R. Flowers of the Newcastle Branch for having had dealings with professional money lenders.

The Governor, having laid before the Committee a letter written to the Prime Minister (with the concurrence of the Chancellor) on the points discussed last week, narrated the uncertain answers received

CT 45-01

Papers in CRO P/16

9th 24th September 1924 received thereto; his daily conversations with Messrs J. P. Morgan & Co. and their eventual decision, reached after consulting Washington, to negotiate with the Germans subject to satisfactory letters being received from the Allied Governments.

After long discussion the Committee concluded that the break-up of Central Europe might be expected to follow a failure to raise a German loan without delay and so put into operation the Dawes Scheme and decided, contrary to the Minute of last week, that any uncertainties arising from the points above mentioned must be ignored and that the Bank must proceed now to issue in London a portion of the whole German loan.

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

It

26th September 1924.

It was agreed to decline an application from the Agent at the Hull Branch for a subscription towards Church Extension, &c., in Hull.

Present

The Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Dranks
Sir Robert Kindersley
Mr. Booth
Sir Charles Addis
Mr. Wallace and
The Comptroller

Wednesday, the 1st October, 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 Minute of the Committee of the 21st May, he had agreed to continue for a further period of six months from the 1st December next the discount facilities granted to the Syndicate of London Bankers in respect of the German Gold-Discount Bank Credit.

(2) That, in answer to an enquiry by the Anglo-Persian Oil Co. (who are concluding an agreement with the Crown Agents as representatives of the Iraq Government), he proposed to say that there would be no objection to the insertion of the name of the Governor of the Bank in a Clause of the Agreement empowering him to nominate a third Arbitrator, should necessity arise.

CT. 71-04.

(3) That

1st October 1924

CT. 45.01

Copies in CBSP/6

(3) That he had reported at length to the Court on the forthcoming German loan, and mentioned that it would probably be necessary to commit the Bank to a very considerable subscription to the loan. He laid before the Committee the Prime Minister's answer dated the 24th September; also a letter from the Chancellor requesting the Bank to undertake the issue of the loan, together with a personal and confidential letter from the United States Ambassador to Mr. Lament and informed them as to the proportions of the loan which he hoped would be issued in the United States, in London and in the Continental Capitals.

The Governor laid before the Committee a Memorandum detailing the Advances made by the principal Banks as compared with their Deposits for the months of January, July and August last.

On an application from Mrs. Holland Martin it was agreed to recommend the Court to make a further donation of £100 to the Bankers' Beneficent Society; also that a Pension according to scale be granted to Gertrude E. Bowman, Superintendent of the Female Staff of the Printing Section at St. Luke's.

On an application from the widow of E. C. Moy, a Pensioner formerly of the Liverpool Branch, it was agreed to grant her the usual scale allowance of £56 a year.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Allen of Aldborough
 Mr. Tinker
 Sir Charles Addey and
 Mr. Wallace

Wednesday, the 8th October, 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 Board of the Skinninggrove Iron Company, which he proposed to refer to the Court.

(2) That, having just received a copy of the new (Australian) Commonwealth Bank Act, he had at once offered the Bank's co-operation in every possible way, on the lines of the Imperial Bank.

(3) That he had again thought fit, in view of the possibility of international and other difficulties arising, to discourage one of his colleagues from accepting a position on the Board of the Shell Transport & Trading Company.

(4) That, although many difficulties still existed, he hoped that the Contracts for the German loan would be signed this week, in accordance with the Dawes' Scheme, and that the issue here would be made on or about the 15th October. He had seen some of the Bankers privately, who had

agreed

ET 45.01

8th October 1924

agreed as evidence of goodwill that their names should appear on the prospectus as prepared to supply prospectuses and application forms, provided that all the Deposit Bankers in England and Scotland were similarly mentioned. He proposed also to endeavour to include in the prospectus a statement concerning the evacuation of the Ruhr and Rhineland.

A special appeal from Mr. A. W. Kiddy on behalf of the British & Foreign Sailors Society was considered, and it was agreed, as an exception, to contribute £100, on the understanding that the Bank's name did not appear as such on Mr. Kiddy's list of donors.

A Minute of the Committee on St. Luke's was submitted and referred to the Court.

Present:

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Janks
Sir Robert Knickerday
Sir Charles Addison and
Mr. Wallace

ET. 45.01

Thursday, the 9th October, 1924.

The Governor informed the Committee

That, with regard to the German loan, America had now agreed to an increase to \$110,000,000 and that other countries had arranged to participate as follows: -

Switzerland	£3,000,000
Belgium	£1,500,000
Sweden	£1,500,000

He

9th October 1924

He expected to hear definitely to-day about Holland and France, but there was still some uncertainty in regard to Italy.

That in the event of the contracts being signed, and being approved by the Reparation Commission this week, he expected that the issue of the loan would be made in the United States on Tuesday next and in this country on Wednesday.

That he had done all in his power to obtain the inclusion in the Prospectus of statements in regard to the evacuation of the Ruhr and the Rhineland, but that the other Bankers would not agree, and he had come to the conclusion that the former statement should therefore alone be mentioned among the documents open for inspection.

The Committee concurred.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Osbourne
Mr. Danks
Sir Robert Hurdley
Sir Charles Adair
and
Mr. Wallace

Wednesday, the 15th October, 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, as in the case of the Austrian loan,

he

15th October 1924

he had granted an interview to the American Correspondents in London, on the subject of the German loan, for sole publication in the American Press.

CT 45.01

(2) That Sir Charles Addis had been invited to join the Board of the re-constituted Reichsbank as the British Representative under the Dawes Scheme and that he proposed to ask the Court to request him to accept that position.

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

(1) The election to the Permanent Staff of 14 Probationary Clerks, and

(2) That the name of G. H. S. Simpson, an Assistant in the Cashier's Department, be removed from the list of Clerks.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Allen of Ashbourne
Mr. Danks
Sir Charles Addis
Mr. Wallace and
Sir Edward Hambro

Wednesday, the 22nd October, 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 having been approached, since the closing of the German loan, as to the issue of foreign loans in London, he had again replied that all such issues were,
and

22nd October 1924

and were likely to be, undesirable under present Exchange conditions, except only those guaranteed by the Treasury or supported by the League of Nations; any attempt to issue would probably lead to an immediate rise in the Bank Rate.

(2) That he had suggested to the Thames Conservancy Board, sole and valued customers of the Bank, who had applied for a further advance, the desirability of issuing a small stock of £10/70,000 in lieu of advances

(3) That, to his surprise, the Union Government of South Africa had invited Dr Vissering and Professor Kemmerer to go there and advise them on gold policy.

(4) That the advance to Messrs Armstrong, Whitworth & Co. now amounted to £1,450,000 and their overdraft to £750,000, mainly in connection with their contracts in Newfoundland.

of 1924

Present

The Deputy Governor
Lord Revelstoke
Lord Allen of Ashbourne
Mr. Banks
Mr. Wallace and
The Comptroller

Wednesday, the 29th October, 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 A. F. Jacob of the Tower of Attorney office, and it was agreed to recommend

that

29th October 1924

that he be granted a pension, according to scale, as from the 23rd January next, when he will attain the age of 60.

It was also agreed to recommend that the temporary allowance of £50 a year, granted for a period of 5 years as from the 1st January 1920 to E. M. Beach, a Pensioner, towards the education expenses of his two boys, be continued for a further period of 2 years.

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 £28,000 £5% Irredeemable 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.

The usual Quarterly Report of the Staff Committee with "Overs" and "Shorts" was submitted and referred to the Court, together with the Quarterly Report of the Audit Committee.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Astibourne
Mr. Danks
Sir Robert Lister
Sir Charles Addis
Mr. Wallace and
The Comptroller

Wednesday, the 5th November, 1924.

The proceedings of the last Committee were read and agreed.

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

The

5th November 1924

18

The Governor informed the Committee —

CT. 151

(1) That, as regards the Bank's holding of shares in the Constantinople Quays Co., which at the present time amounted to £329,800, the position was such that the income in recent years had been insufficient to pay the interest of $3\frac{1}{2}\%$ on that amount and the deficit had been made good from accumulated funds; and he suggested that, in the circumstances, it would be advisable to write down the value of the shares to £100,000, i.e. about their present sterling equivalent, and to reduce the rate of interest receivable from $3\frac{1}{2}$ to $2\frac{1}{2}$ per cent upon the amount at present outstanding. The existing arrangements between the Bank and the Government (except as regards the rate of interest) will be maintained; but while the guarantee will still exist it will remain inoperative.

(2) That referring to a previous Minute in connection with an advance of £10,000 to Messrs. G.F. Neame & Co., he felt that, as the Firm was in a small way and somewhat hampered by such a liability, it might, in the special circumstances of the case, be treated as a bad debt.

(3) That, on his recent visit to Paris, he had discussed at length with Mr. Pierre Jay the question of the purchase on behalf of the Federal Reserve Bank of further Sterling Bills; in continuation of discussions with Mr. Strong during the Spring.

(4) With reference to the American Exchange the Governor suggested that in the event of the rate approaching

5th November 1924

approaching parity it might be advisable to obtain a large credit in America to steady the position, and he asked the Committee to consider the suggestion.

(5) That Mr Wallace had tendered his resignation as a Member of the Committee of Treasury and, assuming that his resignation would be accepted, he proposed to ask the Court to elect another Member to fill the vacancy.

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

A memorandum on the subject of temporary borrowing by Central Banks, with special reference to Austria, Hungary, and the City of Danzig, which had been previously circulated, was discussed and further consideration was deferred.

N/E
Rem. in
CT 118

Letters of resignation were laid before the Committee from F. R. C. Chambers, a Cashier, and W. L. B. Clode, a Superintendent in the Bank Stock Office, and it was agreed that pensions be granted to these Clerks as detailed in a separate Minute.

The Committee had before them the case of H. W. Morley, a Pensioner, formerly of the Dividend Pay Office. Morley was pensioned in June 1923 at the age of 60 and in August last a Receiving Order was made against him. No summary of the Debtor's statement of affairs has

yet

5th November 1924

yet been issued, but the Official Receiver has informed the Bank that Morley's statement of affairs shows liabilities contracted with eight moneylenders between 1917 and 1924. Had this fact become known he would have been dismissed the service under Rule xiv of Rules and Orders for Clerks, and, in these circumstances, it was agreed to recommend to the Court that Morley's pension be discontinued as from the 1st November.

A Minute of the Committee on Advances and Discounts was submitted and referred to the Court.

Applications for allowances were considered from the widow of R. S. Birch, a Pensioner, and from the widow of T. Ingall, a Pensioner, and it was agreed to grant the usual scale allowances, during pleasure, viz: £51 a year to Mrs. Birch and £60 a year to Mrs. Ingall.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of
Ainslie
Mr. Danks
Mr. Booth
Sir Charles Adie
Mr. Wallace
and
The Comptroller

Wednesday, the 12th November, 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 stated that, in view of seasonal demands before the end of the year, the

Currency

12th November 1924

Currency Note circulation might possibly reach the maximum issue, as authorised by the Treasury Minute of 1919, but it was agreed that it was unnecessary to consider the question of transferring Bank Notes from the Banking Reserve to the Currency Note Reserve until the margin fell to, say, £5,000,000.

The Governor informed the Committee

(1) That, as regards the Bank's Account with the Federal Reserve Bank of New York, he was of opinion that the Account might properly be utilised for purchases and sales in the Dollar Exchange Market, which would probably become necessary in the course of the re-establishment of a Free Gold Market in London.

The Committee concurred and further agreed to recommend to the Court that complimentary accounts be opened by the Bank on the Books of other Central Banks.

The Committee were of opinion -

(a) That such accounts be maintained in credit with a balance of not less than, say, £5000.

(b) That such accounts be not regularly used for operations in the Exchange Market, and

(c) That such accounts be confined to monies which are the absolute property of the Bank of England.

Further discussion took place on the subject of temporary borrowing by Central Banks, and it was agreed, in principle, that in countries whose currencies had been stabilized, sterling

advances

12th November 1924

22

advances might be made against bills drawn in the currencies of those countries, with sufficient margin, as and when the seasonal requirements and conditions might warrant.

It was agreed to recommend to the Court that a Pension, during pleasure and according to scale, be granted to J. J. Walker, Senior Messenger to the Chief Accountant:

also to refer to the Court a Minute of the Staff Committee recommending appointments, etc., together with a Minute of the Committee of ~~the~~ on St. Luke's recommending appointments.

The Committee considered the question of the selection of Governors for the ensuing year, and it was agreed to recommend to the Court of Directors that the Governor be invited to continue to serve in his Office for a further year, and that, in view of the inability of the Deputy Governor, Mr. Cecil Lubbock, to continue in his Office for a further period, the usual procedure for the selection of a Candidate for the Office of Deputy Governor be carried out, in accordance with the Regulations laid down by the Court on the 30th November 1848 and the 21st February 1918.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Sir Robert Kindersley
 Mr Booth
 Sir Alan Anderson
 Sir Charles Adolfs and
 The Comptroller

Wednesday, the 19th November, 1924

The proceedings of the last Committee were read and agreed.

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

Referring to the Minutes of the Committee ~~of~~ the 5th instant, discussion took place on the subject of obtaining a credit in America in connection with the Rate of Exchange and the restoration of a free gold market, and it was agreed, in principle,

(1) That it would be desirable to obtain such a credit, and

(2) That, the Exchanges being primarily the concern of the Treasury, the security for such a credit should be placed at the disposal of the Bank as agents for H. M. Government to the extent of £500,500 million, subject to conditions as to Bank Rate and gold shipments.

+ 02
 CT. 70. 01

The question of the remuneration of the Governor, Deputy Governor and Directors, which was before the Committee on the 16th April last, was again discussed, and further consideration deferred until next week, the Governor stating that he would notify the Court to-morrow of the intention of the Committee of Treasury to bring forward a recommendation next Thursday.

Present

Wednesday, the 26th November, 1924.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Booth
Sir Alan Anderson
Sir Charles Addison 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 informed the Committee—

(1) That, having in the past received several gifts from the Governor of the Bank of Japan, he had lately presented to him, as a mark of esteem, a Silver Bowl of 1694.

(2) That on the 22nd instant the authorities at Somerset House had handed Currency Notes, amounting to about £1000, for the credit of the Revenue Account at the Bank, to a man who professed to be one of the Clerks from the Bank authorised to receive these monies; that it was shortly afterwards discovered that the man in question had no authority to collect the money, and that Victor A. North, an Assistant in the Cashier's Department, had later been arrested on a charge of stealing the Notes.

That in view of this case, and of another which took place this year, he proposed to ask the Staff Committee to consider whether any change was desirable in the system by which probationers are admitted to the permanent Staff.

Referring to previous Minutes of the Committee, further discussion took place on the question

1754

Historical Record
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CT. 76.01

176

CT. 70.01

26th November 1924

question of the allowances to the Governor, Deputy Governor and Directors. Having regard to the increase in such allowances which had been made from time to time up to the year 1892 and to the general rise since 1914 in the rate of remuneration elsewhere, the Committee felt that an increase in these allowances might reasonably be asked for. On the other hand they considered that such a proposal would not be expedient at the present time and they did not recommend it to the Court.

It was agreed to decline an appeal on behalf of the Elizabeth Garrett Anderson Hospital Extension Fund.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Asinbourne
Mr. Booth
Sir Alan Anderson
Sir Charles Addison and
The Comptroller

Wednesday, the 3rd December, 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 previous Minutes, he had been informed that the preparations for the issue of the Greek Refugee loan in this Country were practically complete, but that it had so far been impossible to arrange for the issue of part of
the

CT. 34.

3rd December 1924

the loan in the United States. He had provisionally offered, on behalf of the Bank, to take a participation of £2,500,000 in an American Issue, but he still hoped that no increase, over £7,500,000 nominal, would be made in the amount of the London issue.

(2) That he had received a visit from Mr. Melienna in regard to the accounts of the Reichsbank, the National Bank of Greece and the predecessor of the Bank of Poland, and he read to the Committee a memorandum of the interview.

~~ET 37~~

N/E.

memo in ET 90.

(3) That he had received an application from Mr. Kitson for permission to join the Board of the Lipton Colliery Co. Ltd. which he proposed to refer to the Court.

Referring to a Minute of the Committee of the 19th November on the subject of obtaining a credit in America in connection with the restoration of a free Gold Market, the Governor discussed the draft of a letter to the Treasury, with which the Committee expressed general approval.

Referring to the Minutes of the Committee of the 27th October 1920 in regard to advances by the Bank to the Bank Provident Society for the purpose of assisting Members to purchase their houses, the Governor mentioned that the applications received by the Society from the Staff for this purpose were becoming more numerous and that the limit of advances would soon be reached.

He

ET 66

3rd December 1924

He proposed, therefore, to sanction further advances to the Society, as and when required, at $3\frac{1}{2}\%$ up to a total not exceeding £100,000 in all.

An appeal was considered from the Agent at the Newcastle-on-Tyne Branch on behalf of the wife of G. R. Flowers, who was recently dismissed from the service for having had dealings with moneylenders and had been made a bankrupt. Beyond a very small amount of private money belonging to Mrs. Flowers, which would soon be exhausted, they were apparently ^{both} without any visible means of subsistence, and it was agreed in all the circumstances to grant to Mrs. Flowers, during pleasure, a compassionate allowance of £1 a week.

The Quarterly Report of the Committee on St. Luke's was submitted and referred to the Court.

It was agreed that the Committee should meet in Christmas week on Wednesday, the 24th December at 11 a.m. (Court at 11.30) Thursday being Christmas Day.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Aulhouse
 Sir Robert Henderson
 Mr. Bouverie
 Sir Alan Anderson
 Sir Charles Addis
 and
 The Comptroller.
 Mr. Wallace attended
 by invitation

Wednesday, the 10th December, 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, having read a cablegram from Mr. Strong dated the 2nd December in regard to Money Rates in America and his reply thereto, the Committee agreed that in the event of any increase in New York an increase of 1% in the Bank Rate would be necessary.

Referring to the Minutes of the 12th ultimo in regard to Currency Note circulation, the Governor stated that as the amount of Notes required before Christmas would probably exceed the limit authorised by the Treasury Minute, he proposed to suggest to the Treasury that Notes to the amount of £500,000 or £1,000,000 should be transferred forthwith from the Banking Reserve to the Currency Note Reserve Account.

The Governor informed the Committee—

(1) That he had written a letter dated the 8th December to Mr S. A. H. Sitwell (which he read) on the subject of remuneration of the Advisory Committee in London of the Imperial Bank of India.

(2) That

10th December 1924

CT 34

" (2) That he had taken an investment on behalf of the Bank of £100,000 in the recent Greek Refugee loan.

That during the next three months a reduction would take place of about £9,000,000 under the heading of "Other Securities" and he asked the Committee to consider how the situation resulting therefrom should be dealt with.

(3) That he had declined to support in any way a proposal made by one of the non-clearing Banks that Foreign Banks should not be allowed to transact business in this country unless they had received a licence and had deposited security with the Board of Trade.

CT 34.

(4) That, with a view to facilitate co-operation in the future, he proposed to accede to the request made by the Governor of the National Bank of Greece for one of their confidential officers to come to the Bank in order to study the work in the various offices.

(5) That, referring to the Minutes of the 26th November, he had received a Report from the Staff Committee recommending that no change be made in the present system by which Probationary Clerks are admitted to the Permanent Staff.

(6) That he had received an enquiry from
the

10th December 1924

the General Manager of the London General Press as to whether the Bank would be prepared to subscribe for, say, 500 copies at 2/- each, to assist in meeting the expenses of a History of the Bank of England which Mr. Hartley Withers had promised to write.

The Committee did not consider that the proposal was one to which the Bank should give their official support.

The Quarterly Report of the Staff Committee was submitted and referred to the Court together with a Minute recommending appointments.

It was agreed to recommend that a pension of £65 a year be granted to H. Brown, a Seaffolder in the Works Department, as detailed in a separate Minute.

It was agreed to grant allowances, during pleasure, as follows: -

To the widow of George Gillanders, a Pensioner, formerly of the Liverpool Branch, £50 a year.

To the widow of J. G. Summerby, a Pensioner, formerly a Bank Note Stamper, £15 a year.

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Roslin
 Sir Robert Minderley
 Sir Alan Anderson
 Sir Charles Addis and
 The Comptroller
 Mr. Wallace attended
 by invitation.

Wednesday, the 17th December, 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 taken an investment on behalf of the Bank of £500,000 in the recent issue of Armstrong Whitworth & Co.

(2) That, since their last Meeting, he had had several interviews with Dr. Reich, who had come to London purposely to discuss the economic and financial situation in Vienna.

As a result he (the Governor) believed that the present condition of affairs was mainly due to Dr. Reich's failure to carry out the intentions which he expressed during his last visit; and he feared that unless the Austrian National Bank adopted a stronger policy, especially in view of rising prices and wages, the League's Scheme for the reconstruction of Austria would be in danger of breaking down.

(3) That, after consulting all concerned, he had agreed in principle to support a Scheme for the exchange by the Anglo Austrian Bank and the Laender Bank of their property in Austria for shares

17 December 1924

shares in a Bank to be formed under Austrian Law, subject to the funding of the Certificates of Indebtedness of both Banks and to the approval of the Austrian Government.

Present

The Deputy Governor
Lord Allen of Ashbourne
Mr. Danks
Sir Robert Kindersley
Mr. Booth
Sir Charles Adie and
The Comptroller
Mr. Wallace attended
by invitation.

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Wednesday, the 24th December, 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 mentioned that subject to confirmation by the Court a Drawing account had been opened in the name of the Bank Polski.

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

On an application from the widow of C. H. Lavington, a Pensioner formerly of the Bristol Branch, it was agreed to grant her ^{during pleasure} the usual scale allowance of £60 a year.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Rosbarn
 Mr. Jinks
 Sir Robert Sutherland
 Mr. Booth
 Sir Charles Addis and
 The Comptroller.
 Mr. Wallace attended by
 invitation.

Wednesday, the 31st December, 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 since their last meeting £3,500,000 Bank Notes (in addition to the £1,000,000 already transferred) had been transferred from the Banking Reserve to the Currency Note Reserve Account to meet the demand for Currency Notes in excess of the amount authorised by the Treasury Minute.

2. That the Bank had been offered the remainder of the lease (which expires in 1934) of the premises in Princes Street now occupied by the Bank of London and South America, at a rental of £7,500 per annum, rates and taxes being paid by the landlords, and that, in view of the close proximity of the premises to the Bank and of the fact that they might prove very useful during the period of rebuilding, he proposed to accept the offer.

The Committee concurred.

Present

The Deputy Governor
 Lord Rivelstone
 Lord Cullen of Arbuthnott
 Sir Robert Hinderley
 Mr. Booth and
 The Comptroller
 Mr. Wallace attended
 by invitation.

Wednesday, the 7th January, 1925.

The proceedings of the last Committee were read and agreed.

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

Referring to the Minutes of the 19th November 1924, the Deputy Governor read to the Committee cablegrams which had been received from the Governor, from New York, on the subject of the arrangements to be made for obtaining a credit in America in connection with the Rate of Exchange and the restoration of a free Gold Market.

It was agreed to refer to the Court a Minute of the Committee on St. Luke's recommending that negotiations be entered into with Messrs. de la Rue & Co., with a view to the possible supply of the machines which would be needed in the event of the issue of £1 and 10/- Notes being transferred to the Bank.

Present

The Deputy Governor
 Lord Rivelstone
 Lord Cullen of Arbuthnott
 Mr. Janks
 Sir Robert Hinderley
 Mr. Booth
 Sir Alan Anderson
 Sir Charles Adair and
 The Comptroller
 Mr. Wallace attended by
 invitation.

Wednesday, the 14th January, 1925.

The proceedings of the last Committee were read and agreed.

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

Referring

14th January 1925

Referring to last week's Minutes, further discussion took place on the subject of obtaining a credit in America, and the Deputy Governor informed the Committee of the communications which had passed between himself and the Governor since last Wednesday.

Sir Alan Anderson, who had accompanied the Governor to New York and had just returned, informed the Committee at length of the conversations which had taken place in New York up to the time of his departure between the various people concerned.

The Deputy Governor mentioned that he had tendered on behalf of the Bank for £5,000,000 $3\frac{1}{2}\%$ Conversion loan, which had been allotted in full.

Minutes of the Staff Committee recommending

(1) Appointments

(2) The election of 11 Probationary Clerks to the Permanent Staff.

were submitted and referred to the Court.

It was agreed to recommend to the Court that a donation of £2500 be made to the Fund which has been opened for the preservation of St. Paul's Cathedral.

On

14th January 1925

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On an application from the widow of M. C. Wright, a Pensioner, formerly a Cashier, it was agreed to grant her, during pleasure, the usual scale allowance of £45 a year.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Sir Robert Hindleley
Mr Booth
Sir Alan Anderson
Sir Charles Addis and
The Comptroller
Mr Wallace attended
by invitation.

Wednesday, the 21st January, 1925.

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 mentioned that the Accounts of the Sports Club at the end of February would show a deficit of about £400 and that he proposed in the circumstances that the Bank should contribute that amount to the Funds of the Club to meet the deficiency.

The Committee concurred.

Mr Booth informed the Committee of the method which it was proposed to adopt for dealing with payments to be made to the Contractors and others in connection with the rebuilding of the Bank.

It was agreed to recommend to the Court that Pensions be granted, during pleasure and
according

21st January 1925

to scale, to Mr L.C. Brookes, Senior Cashier, and to Mr W. M. Fisher of the Private Drawing Office, as detailed in a separate Minute.

The Quarterly Report of the Staff Committee with Overs and Shorts was submitted and referred to the Court.

The Governor reported in detail the result of the visit of himself and Sir Alan Anderson to New York on the subject of obtaining a credit in America in connection with the restoration of a free Gold Market; and after discussion further consideration was deferred until next Monday.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Roslinhouse
Mr. Tinker
Sir Robert Kindersley
Sir Alan Anderson
Sir Charles Addis
and
The Comptroller
Mr Wallace attended by
invitation

Monday, the 26th January, 1925.

The proceedings of the last Committee were read and agreed.

The question of obtaining a credit in the United States, and the date of the restoration of a free gold market were fully discussed and the Governor informed the Committee that having been asked to give further evidence before Mr. Chamberlain's Committee on the 28th January he proposed to suggest -

- (1) That a credit of \$500 million should be arranged in the United States according to the proposals

26th January 1925

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proposals contained in his cables from New York, no 15 paragraphs 1-9 and no 16 paragraph 2(1);

(2) That no extension of the embargo on gold beyond 31st December 1925 should therefore be contemplated;

(3) That an announcement should be made, say, in the Spring that the embargo would **not** be prolonged;

(4) That the credit should meanwhile be arranged, and that a general license for the export of gold should hereafter be given, the Bank to take such steps as might be necessary to support the exchange.

Doubt was expressed whether it would be wise to act as if the embargo had actually been removed until a longer time had elapsed and the exchange had remained steady for a period of, say, six months: and the Governor asked Sir Charles Addison to accompany him before Mr Chamberlain's Committee, in order that both points of view might be presented to them.

The Governor mentioned that, in connexion with the return of South Africa to the Gold Standard on the 1st July 1925, he had received a letter from the Governor of the South African Reserve Bank asking whether the Bank of England would open a credit for the purpose of exchange and gold transactions which it might become necessary for the Reserve Bank to undertake.

He proposed in the circumstances to offer to place at the disposal of the Reserve Bank a credit for £5,000,000 on the security of gold or of British Treasury Bills, Union of South Africa Treasury Bills, or approved Commercial Bills.

A full Committee,
The Comptroller and
Mr. Wallace.

Wednesday, the 28th January, 1925.

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 45-01

(1) That, with reference to previous Minutes regarding the arrangements which were made for the issue last autumn of the German loan, he proposed to send a letter, which he read, to Sir Eric Crove on the subject of the evacuation of the Ruhr and of the Cologne Zone.

CT 113-02

(2) That, with a view to possible future demands for "eligible" sterling Bills by the Federal Reserve Bank of New York, he proposed gradually to make purchases, in the market, of Commercial Bills, which would either be held among the Bank's other securities or would take the place of some of the Treasury Bills in which customers' money is now employed.

These Bills, for which the Bank would be responsible, would be subject to the Bank's usual requirements as to two British names etc. and would be submitted for approval to the Committee of Daily Waiting.

That

That an answer having now been received to his letter written to Dr. Reich, at a request made by the latter during his recent visit to London, the Governor outlined his further answer which suggested that the relations between the two Banks should be terminated. In view of present conditions in Austria it seemed best to terminate thus an unsatisfactory connection rather than to wait until the situation had grown worse.

The Governor read a personal letter he had received from Mr. Strong, dated the 15th January, concerning

- (1) The question of continuity of management of the Bank of England;
- (2) The present absence of any statutory limit to Currency Note issue of this Country;
- (3) The circumstances in which the two credits should respectively be used.

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 19th March, and that a General Court for the election of a Governor and Deputy Governor and for the election of Directors be appointed for Tuesday, the 31st March, and Wednesday, the 1st April, respectively.

The usual Quarterly Report of the Audit Committee was submitted and referred to the Court.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Danks
 Sir Robert Henderson
 Mr. Booth
 Sir Charles Adair
 and
 The Comptroller
 Mr. Wallace attended by
 invitation

Wednesday, the 4th February, 1925

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 order to place an issue of £5400,000 debenture Stock of Wayagamack News Ltd., guaranteed under the Trade Facilities Acts, he had agreed to take an interest on behalf of the Bank, even should there be no Public issue.

(2) That, referring to last week's Minutes, he had since conferred with Sir Eyre Crowe who considered that the Prime Minister's letter of the 24th September last justified the expectation that the question of the evacuation of the Cologne Area would have been settled by an inter-allied Conference in December 1924 — a settlement which, however, could not now be expected for several months.

(3) That the question of a loan for development purposes for the City of Danzig would shortly come before the League of Nations, without whose consent the City could not proceed, and, while he was persuaded that such a long term loan could not under present political conditions be satisfactorily secured, he would facilitate its issue in London if it had the full support of the League.

The Governor commented unfavourably on the fact that the current prospects of the Queensland Government

4th February 1925

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Government Conversion Scheme contained no financial information or statistics, and he read to the Committee a letter, dated the 3rd February, to the Agent General suggesting that in future it might be wise to remedy this omission.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Danks
Mr. Booth
Sir Alan Anderson
Sir Charles Addis
and
The Comptroller
Mr. Wallace attended
by invitation

Wednesday, the 11th February, 1925.

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 appointments, etc. was submitted and referred to the Court.

The Governor read his answer to the letter from Mr. Strong which was before the Committee on the 28th January.

The Governor informed the Committee -

(1) That on Monday last he had attended the first Meeting of the Advisory Committee of the Imperial Bank of India.

(2) That during the past two or three days he had had long conversations with Mr. Gilbert and Dr. Schacht, and that he was much concerned as to the dissatisfaction produced by the present method of working the Reparations Recovery Act which, in his
opinion

11th February 1925

Opinion, may endanger the smooth working of the Dawes Scheme.

His apprehension regarding the future position in Austria and Danzig had also been confirmed in discussions with Dr. Schacht.

Present

The Deputy Governor
Lord Revelstoke
Lord Allen of Ashbourne
Mr. Tinker
Sir Robert Milesdaley
Mr. Booth
Sir Alan Anderson
Sir Charles Addis
and
The Comptroller
Mr. Wallace attended by
invitation

Wednesday, the 18th February, 1925.

The proceedings of the last Committee were read and agreed.

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

The following Minutes and Reports were submitted and referred to the Court of Directors -

- (1) Minute of the Staff Committee recommending increases of salary etc.
- (2) Report of the Staff Committee upon the Classed Staff at the Head Office and Branches.
- (3) Report of the Committee on St Luke's upon the Classed Staff at St Luke's.
- (4) Report of the Committee on Advances and Discounts on the Discount Business of the Bank during the past year.

It was agreed to recommend to the Court of Directors that the rate of interest to be allowed by the Bank to the Bank Provident Society

18th February 1925

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on Deposits by Members be continued for the ensuing year at the present rate of 3½% per annum free of Income Tax.

It was agreed to renew the following Charitable Subscriptions for the current year:-

City of London Truss Society	£ 10 : 10 : -
Royal National Lifeboat 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 Maternity 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 Lothbury)	50 : - : -
Bank Clerks Orphanage	105 : - : -

also to recommend a donation of £50 to the City of London Maternity Hospital and to decline applications from

The London Foot Hospital
The Surrey & South London Prisoners' Aid Society
National Rifle Association.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Tinker
 Mr. Booth
 Sir Alan Anderson and
 The Comptroller
 Mr. Wallace attended by
 invitation.

Wednesday, the 25th February, 1925.

The proceedings of the last Committee were read and agreed.

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

CT99.

It was agreed that no change be recommended in the Bank Rate. The Governor read to the Committee cables that had passed between himself and Mr. Strong, and it was agreed that if the rate of the Federal Reserve Bank of New York is raised to 3½% on Thursday, the 26th February, the Bank Rate should be raised to 5% on Thursday, the 5th March, the Bank raising its rate for loans to the Market to 5½% from Friday, the 27th February.

The Governor informed the Committee -

(1) That the estimated profits for the half year ending 28th February, after providing for a dividend of 6%, amounted to £2,620,000, and it was proposed to deal with this surplus as follows, viz: -

In writing down Securities £1,543,906

In writing off amounts expended during the half-year in respect of
 Finishing Office fittings and Record Office,
 St Luke's,

19,612

In writing off the amount of the loan to G. F. Neame - See Minute of 14th March 1923

10,000

Provision

25th February 1925

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Provision for Income Tax & Corporation Profits Tax	£50,000
To Suspend Account No. 1.	196,482

(2) That in the event of the American Exchange rising to par he suggested, in view of the fact that "Suspend Account" No. 1 now exceeds £15,000,000, that the Bank might purchase, say, \$50,000,000, which would be placed to the credit of the Bank with the Federal Reserve Bank in New York.

cf. 95.04. (3) That in the course of an interview with him, Mr. McKenna had stated definitely, that the Clearing Banks would not agree not to withdraw, use or hold Gold in any form on account of themselves or third parties: legislation might therefore be necessary, and this materially altered the basis upon which the question of the return to a Gold Standard has been considered. He had thought it right to inform the Chamberlain Committee and he read a letter he had written on the subject to Lord Bradbury.

(4) That, with reference to previous Minutes, he proposed, in spite of recent contraventions of the spirit of the policy, to continue -

cf. 113.02. ~~1742~~

(a) to discriminate against Finance and Renewal Bills.

(b) To restrict whenever possible the issue of Foreign loans in London for purposes other than Reconstruction; and in regard to (b) he saw no difference between a loan raised openly by prospectus or raised privately with subsequent application for a quotation on the Stock Exchange.

(5)

25th February 1925

(5) That he proposed, at the request of the Transfer Committee in Berlin, to furnish them with certain statistics. This would not involve the disclosure of any confidential information.

(6) That he had at all times been able to arrange that any Company authorised to make a public issue under the Trades Facilities Act must make such issue through the Banks and must also employ only the Government Brokers, with a general understanding that the Government Brokers should in each case make such arrangements as to commission as would satisfy the Brokers of the Company; he regretted that in the case of the recent issue of the North British Aluminium Co. Ltd. the Company's brokers were very dissatisfied with the arrangements.

Present

The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr Jukes
Mr Booth
Sir Alan Anderson
Sir Charles Adie
The Comptroller
Mr Wallace attended by
 ^{invitation}

Wednesday, the 4th March, 1925

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 to recommend that the Bank Rate be raised to-morrow from 4 per cent to 5 per cent.

A Minute of the Committee on St Luke's recommending increases in the rate of special

CT 99.

4th March 1925

special remuneration to certain members of the Clerical Staff at St Luke's and a Quarterly Report on the Staff at St Luke's were submitted and referred to the Court.

With reference to the recent quinquennial valuation of the affairs of the Bank Provident Society it was agreed to recommend to the Court of Directors that the Actuary's Report - which was accepted by the Members of the Society at their Annual General Meeting - be approved, and that authority be given to the Managers of the Society to declare a Residuary Bonus of 2 per cent per annum for the five years ended 30th November 1924 and to pay an interim bonus at the rate of £1:10/- per cent per annum on claims arising between the 1st December 1924 and the 30th November 1929.

It was agreed that a subscription of £26:5:- be paid annually to the Funds of the Royal Hospital for Consumption at Ventnor.

In view of the death of Sir Everard Hambro it was agreed to recommend that an invitation be extended to Sir John Gordon Nairne to allow his name to be recommended to the Proprietors to fill the vacancy.

CT 95.04 The Deputy Governor read to the Committee a Resolution by the Financial Committee of the League of Nations in regard to a return to a gold standard.

Present.

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Roslin
 Mr. Janks
 Mr. Booth
 Sir Alan Anderson
 Sir Charles Adie
 The Comptroller
 Mr. Wallace attended by
 invitation.

Wednesday, the 11th March, 1925.

The proceedings of the last Committee were read and agreed.

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

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

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

1. Recommending appointments, etc.
2. Half Yearly Report on Assistants.
3. Quarterly Report on payments made, etc.

It was agreed to recommend that pensions be granted to Adolphe P. Auberson, a 1st Class Clerk at the Liverpool Branch, and George Brown, of the Works Department, as detailed in a separate Minute.

The Reports of Messrs. Deloitte, Plender & Griffiths on the accounts of St. Luke's Printing Works and the Works Department to the 31st December were submitted and referred to the Court.

The Chief Accountant attended the Committee and produced the accounts of the
 Bank

11th March 1925

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 1st April next of 6 per cent less Income Tax.

~~10.16~~
ET 90.03

The Deputy Governor read to the Committee the draft of a letter which the Governor desired should be written to the Governor of the South African Reserve Bank, on the subject of a proposed amalgamation of the National Bank of South Africa, the Anglo Egyptian Bank and the Colonial Bank.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Mr. Booth
Sir Alan Anderson
Sir Charles Addey
and
The Comptroller
Mr. Wallace attended
by invitation

Wednesday, the 18th March, 1925.

The proceedings of the last Committee were read and confirmed.

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 that pensions, as detailed in a separate Minute, be granted to Mr. John Lea, Agent at the Liverpool Branch, and Constance H. Luckhurst, a Senior Woman Clerk.

The House List of Governors and Directors for the year ensuing was submitted and referred to the Court.

It

18th March 1925

CT 72.

It was agreed to recommend that the voting for Members of the Committee of Treasury should take place at the Court on the 2nd April 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 1st April.

CT 76

The Committee were informed that in the case of Wilson's Executors v the Bank of England judgment had been given entirely in the Bank's favour with costs and that an appeal is being made against the judgment.

Arising out of this it was agreed to recommend that a gratuity of £100 be granted to William B. Thorpe, the Principal of the Transfers by Deed Office, in recognition of his very valuable services in connection with the case.

The Governor informed the Committee

CT 113.02

1. That, with reference to Minutes of the 28th January last, the Bills in which Customers' money is employed now included some Commercial Bills (in effect guaranteed by the Bank) and no longer consisted solely of Treasury Bills. Further, the Bank were being and would be asked by Central Banks to purchase large and increasing amounts of Commercial Bills (also guaranteed by the Bank) and, in view of the liability thus arising, the question of principle was reserved for consideration next week.

CT 99

CT 90.02

(2) That on the change of Bank Rate the Clearing Bankers had fixed their Deposit Rate at 3% instead of 3½%, thus continuing their policy of maintaining their Deposit Rate at 2 per cent

below

15th March 1925

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below Bank Rate in spite of the appeal which he made to them some months ago, and that in his opinion this policy was largely responsible for the unsatisfactory condition of the money market.

(3) That, with reference to the Minutes of the 28th January last, he had recently had conversations with Dr. Reich and Dr. Brauneis of the Austrian National Bank, who had professed willingness to accept the suggestions for co-operation which the Governor had made and had thereupon expressed a desire to obtain a credit here. The Governor had refused at this stage to consider the question of a credit and he thought it not unlikely that Dr. Reich would resign the Presidency of the Bank.

The general position of Austria was discussed.

(4) That he had on Monday attended the second Meeting of the Advisory Committee of the Imperial Banks of India, of which he submitted the draft minutes relating to the employment by the Imperial Banks in London of more than one firm of Stockbrokers and of others than the British Government Broker.

The Governor also brought forward the following matters in which, after discussion, consideration was deferred until next week:—

CT 45.01 (1) The disposal of the profit accruing to the Banks from the issue of the German loan, which amounted to about £220,000.

(2) The question of obtaining a credit in the United States

The Governor stated that in his belief the Treasury was not in favour of the actual proposals contained in his telegram from New York, and he thought it necessary to arrange a credit by means of an option in some form that might, if possible, be free from objection.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Ellenborough
Mr Booth
Sir Alan Anderson
and
The Comptroller
Mr Wallace attended by
invitation.

Annual Reports upon the Clerks' Guarantee Fund and the Samaritan Fund.

25th March 1925

54.

It was agreed to recommend that a Pension, as detailed in a separate Minute, be granted to Sir Gordon Navine, the Comptroller.

On an application from the ~~Lat~~ Widow of W. H. Gossage, a Pensioner, formerly a Cashier, it was agreed to grant her, during pleASURE, the usual scale allowance of £60 a year.

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 £10,000 5% Irredeemable Debenture 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.

ET 45.01 With reference to last week's Minutes, it was agreed to defer until next week consideration of the disposal of the profits of the German loan, and the question of the principle of the employment of customers' money in Bills of Exchange.

The Governor informed the Committee—

ET 95.04 (1) That it had now been decided that the announcement in regard to the restoration of Free Gold Export should be made by the Chancellor in his Budget speech on the 27th or 28th April, and that he had undertaken on the part of the Bank that there should not be an increase in Bank Rate for a clear week thereafter.

That

25th March 1925

That it had also been decided that a Revolving Credit should be set up in the United States and that this should be arranged before the Budget speech is made.

That he therefore proposed -

(a) That credits should be arranged with the Federal Reserve Bank and with Messrs J. P. Morgan & Co.;

CT 95.04.

(b) That, if required, the Bank should be obligor in both cases, fully guaranteed by Act of Parliament;

(c) That it should be done through an option to call for advances;

(d) That the question ^{of Commission and by} ~~of the internal circulation~~ ^{whom it should be borne shall stand over for the} ~~of Gold presents considerable difficulty, probably~~ ^{present.} ~~requiring legislation~~

That the question of the Internal circulation of Gold presents considerable difficulty, probably requiring legislation.

(2) That, with regard to Bills of Exchange purchased for the Bank, for Customers, for the employment of Customers' money, or as discounts, he proposed that the "Upon" ledgers in the Discount Office should in future show the total of all such Bills held or bought, and that the ledgers should be submitted once a month to the Committee on Advances & Discounts.

CT 113.02

(3) That while it would be impossible to hold a full conference of Central Banks in the near future

25th March 1928

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future he suggested that it might be possible this year to hold an informal conference, say, of those Countries who have returned to a Gold Standard.

(4) That, as the date of the "Gold" announcement has been postponed, he thought it essential to take advantage of the delay to arrange for Funding of the debt maturing on the 1st May, and that an announcement would be made to-morrow of an Issue by tender of £50,000,000 3½% Conversion loan.

CT. 151

(5) That, with reference to a Minute of the 5th November last in regard to the Constantinople Quays Company, a letter of thanks for the action taken by the Bank had been received from Sir Eyre Crowe.

(6) That it had recently been decided by the High Court in Dublin, on a case stated by the Special Commissioners of Income Tax, that the Bank of Ireland was exempt from liability to Corporation Profits Tax as not being a "body corporate so constituted that the liability of its members is limited" within the meaning of Section 52 (3) of the Finance Act 1920, and that this decision was of considerable interest to the Bank.

146
CT. 145

(7) That the Committee of the Clerks Library had expressed a desire that a "Social History" of the Bank might be compiled and that he proposed to ask the Committee of the Library for further details of what is intended; to submit their suggestions to Mr.

Stevenson

25th March 1925

Stevenson for comment and report and, if, as he anticipated, the report was favourable, to give the scheme official support and assistance.

The Governor asked the Committee to consider what action, if any, should be taken by the Bank, when free export of Gold had been announced, in regard to -

(1) Foreign Issues for purposes other than re-constitution; and

(2) Renewal and Finance Bills, having regard to the Order of Court of the 16th November 1922.

~~1922~~
CT 113.02

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Booth
Sir Charles Addis
Mr. Lubbock, Mr. Wallace and
Sir Gordon Haring attended by
invitation.

Wednesday, the 1st April, 1925.

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 that a pension, as detailed in a separate Minute be granted to Walter Woodthorpe, the Chief Clerk at the Liverpool Branch, and that he be allowed, as a special case to commute a portion of his Pension.

The

1st April 1925

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The following matters which had been deferred for further consideration were considered, viz: -

Employment of Customers Money.

It was agreed to accept the general principle that Bills of Exchange may be held in addition to, or in lieu of, Treasury Bills, as security, investment or guarantee.

The further question as to whether it is permissible to hold a percentage of longer dated securities, such as short Treasury Bonds, was deferred.

~~1842~~
CT 113.01 It was agreed that the policy of discrimination against Renewal & Finance Bills, which was approved by the Court on the 16th November 1922, be continued and that even after the "Gold" announcement it will still be necessary to discourage Foreign Issues and investment by all possible means.

CT 95.04 With reference to the "Gold" announcement, the Governor stated that the Chancellor had agreed to bring in a Bill on the day of the announcement authorising arrangements for two credits in America. He informed the Committee that the proposal for the Bank to be obligor in both cases was not acceptable to the Federal Reserve Bank, so that the credit through Messrs. J. P. Morgan & Co. would have to be in the name of the Government.

He said the Treasury desired to avoid the direct payment of a commission for political reasons and as the commission must be paid to Messrs. J. P. Morgan & Co. to obtain the option he thought it might be necessary for the Bank to bear the commission for a year at 1½% on the credit of \$100,000,000.

As

1st April 1925

CT 45.01

As it so happened, this amounted to substantially the same sum as the profit on the German loan which he proposed the Bank should retain.

After discussion, the matter was left for the Governor if necessary to arrange.

CT 95.04

The Governor stated that the Chancellor had promised the bankers that he would bring in a Bill making Bank Notes and Currency Notes convertible into Coin or Bullion at the option of the Bank and that this would be done unless the Bank of England were willing to risk the internal demand without the protection of a Bill. As the other bankers mostly proposed to shelter behind the Bank of England rather than adequately discourage their customers from demanding coin the Governor considered it would be dangerous to decline the proposed Bill.

CT 90.03

The Governor reported that the proposed amalgamation of the National Bank of South Africa, the Anglo-Egyptian Bank and the Colonial Bank was proceeding and he was doubtful if it could be prevented.

On the general question the Committee expressed the view that Bank amalgamations under the domination of a large clearing Bank are against the public interest.

With

1st April 1925

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With reference to his letter of the 10th February last to Mr. Strong, the Governor stated that the Chancellor would not agree that the limit of the Fiduciary Issue of Currency Notes shall not be exceeded without the sanction of the Bank, and the proposal had therefore been withdrawn on the grounds explained in a cable of the 27th March to Mr. Strong and with his consent.

It was agreed that the question of continuity of Management referred to in the same letter was not yet solved and needed early attention.

With reference to the alleged leakage of information in regard to the issue of the 3½% Conversion loan, the Governor stated that the whole affair was very disagreeable but he was satisfied that there had not been any betrayal of confidence: at the instance of the Chancellor, Sir Warren Fisher had held an enquiry at the Bank but had discovered nothing.

CT 98

The Committee agreed to refer to the Deputy Governor the question raised by Mr. Stephen Marchant of J. H. Saunders & Co. Ltd, Paper Makers, in an interview with the Governor, as to alleged unfair competition of Messrs. Fontal Ltd.

A letter was read from Dr. Schacht expressing the hope that consent would be given to renewal of the business of the Gold Discount Bank on a foreign valuta basis which he believed would be beneficial to this Country and to Germany.

Present

The Governor
 The Deputy Governor
 Lord Cullen of Axbourne
 Sir Charles Addis
 Mr. Wallace
 Mr. Whigham
 Sir Gordon Nairne attended
 by invitation

Wednesday, the 8th April, 1925.

The proceedings of the last Committee were read and agreed.

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

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

It was agreed to make recommendations to the Court for appointments consequent on the retirement of Sir Gordon Nairne, the Comptroller.

It was agreed to recommend to the Court that a Rule relating to gambling etc. be added to the Rules & Orders for Permanent Women Clerks.

The Governor reported that, at the request of the Agent at the Newcastle Branch, he had authorised a donation of £105 to a fund for relief of sufferers by the Montague Colliery Disaster.

The Deputy Governor reported that he had granted permission to Mr. F. M. Stewart, a customer of the Bank, to use the Bank's vote at the Ordinary General Meeting of the
 Associated

8th April 1925

62

Associated Portland Cement Manufacturers Ltd. on the 8th April in respect of shares in that Company pledged by him as security against advances and which are at the present time free from any lien.

With reference to the grant of £200 for the purchase of Prints of the Bank, sanctioned by the Committee of Treasury on the 24th October 1923, it was agreed to authorise the grant of a further sum of £300 for this purpose. It was also agreed that Mr. Stevenson be authorised —

(1) To arrange for an edition of 750 copies of a Catalogue of the Bank's Collection of Furniture and Prints, which it is estimated would cost about £350, and

(2) To obtain expert advice on the preparation of an inventory of such Clocks and pieces of Furniture in the Bank as are worth recording.

With reference to the question, deferred from last week, whether it would be permissible to hold as security for the employment of customers' money, a percentage of longer dated securities, such as Treasury Bonds, it was agreed in principle that there would be no objection in the case of maturities up to, say, 12 months.

In continuation of last week's Minutes, the Governor gave it as the Bank's Policy that a Bank, formed as suggested, under the domination of a large clearing

~~10.16~~
ET 90.03

8th April 1925

Clearing Bank, should neither be entitled to support from the Bank nor to recognition of its paper as prime for the purpose of discount, security, or otherwise.

The Governor then acquainted the Committee with the following matters of interest which had arisen since their last Meeting:-

1. He had received a letter from the Swiss National Bank - expressing their wish to co-operate with the Bank in every possible way - which could only be answered satisfactorily by discussion. He proposed therefore to ask Sir Ernest Harvey to go to Zurich to make arrangements for a policy of exclusive or mutual co-operation; he would ask him also to state secretly that April 28 or 29 would be a suitable time for them to adopt a Free Gold Market and to suggest an informal Meeting of certain Central Banks later in the year.

CT 95 04

Arising out of this the Governor said that, in connection with Central Banks, the necessity for similar missions might often arise, and as, in his opinion, it was desirable for the emissary to be one of the holders of high Office in the Bank, he would seek an understanding with Sir Ernest Harvey to this end.

2. He had attended a Meeting of the Clearing Bankers on the question of the Banks earmarking gold.

CT 95 04

No

8th April, 1923

64

No agreement was reached but he thought they would probably agree for a period not to hold or to earmark gold for themselves or for their customers in this country, but would reserve the right to earmark for their customers abroad.

At this Meeting certain of the Bankers showed clearly their opposition to the Bank's policy and action in regard to Central Banks with which they are in total disagreement. They were forced to admit that the policy they condemned had led to the reconstruction of several European countries which might otherwise have ceased economically to exist, but their opposition was in no way lessened.

5. On the advice of Messrs. Freshfields the Bank had agreed to an appearance being entered on their behalf in Cairo in an action which has been commenced by a Bondholder of the Egyptian Tribute Loan of 1894.

The Governor laid before the Committee a letter of this day drafted by and now being despatched to the Governor of the Federal Reserve Bank, New York, in regard to a revolving credit for \$100,000,000.

The Governor
 The Deputy Governor
 Lord Cullen of Astibourne
 Mr. Lubbock
 Sir Charles Addis
 Mr. Wallace
 Mr. Whigham and
 The Comptroller

Wednesday, the 15th April, 1925.

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.

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

It was agreed to recommend to the Court that Drawing Accounts be opened for the Banks of Finland, Helsingfors, and the Agent General for Reparation Payments, Berlin.

With reference to the letter from Dr. Schacht, which was read to the Committee on the 1st April, expressing the hope that consent would be given to a renewal of the business of the Gold Discount Bank on a foreign valuta basis, the Committee agreed - subject to the approval of Sir Robert Kindersley - that it would be expedient for this business to be renewed for a time.

Present.Wednesday, the 22nd April, 1925.

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Mr. Wallace
 Sir Charles Addis
 Mr. Whigham and
 The Comptroller

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.

A Minute of the Staff Committee recommending the appointment of an Auditor and 2nd Auditor, etc. was submitted and referred to the Court.

With reference to the proposed appointments in the Audit Department the Governor asked the Committee to consider the question of enlarging the scope of the Audits to be undertaken by the Department and of asking Sir William Plender to make investigations as to whether the present system and scope of audit in the Bank would meet with professional approval.

It was agreed to recommend that a Pension, as detailed in a separate Minute, be granted to Cecil A. Harvey, a 2nd Class Clerk in the Dividend Office.

It was agreed that, in future, important appointments in the Bank be communicated

22nd April 1925

to a Press Agency for information of the Press generally.

On the proposal of the Deputy Governor, it was agreed to recommend to the Court that a Special Committee be appointed to consider the Regulations which govern the internal administration of the Bank, with special reference to the Report of the Special Committee appointed by the Court of the 23rd November 1911, and to recommend any revision of Rules or practice that may appear desirable: the Committee to consist of

The Deputy Governor
Mr. Lubbock
Mr. Wallace and
Mr. Whitworth.

The Comptroller to attend the Committee

With reference to the Orders of Court of the 29th January and the 15th July 1920, giving authority for Special Notes to be printed and set aside for use as and when required on account of the Currency Notes Redemption Account, it was agreed to recommend to the Court next week that a further 200 similar Notes be printed.

With reference to the Minutes of the 28th July 1920, limiting the Silver Coin to some 10% of the Reserve, it was agreed that in future the amount of silver to be held in the Reserve should

be

22nd April 1925

be not less than £1,500,000, with a maximum slightly in excess of £2,000,000, and that the Silver Coin Reserve should be gradually withdrawn.

N/E.

Proposed CT 36

With reference to previous minutes and particularly to Clause 1a. of the Agreement of the 17th May 1923, the Governor stated that the South African Gold Producers were now asking for greater freedom in regard to sales of Gold, and with the consent of the Treasury he proposed to cancel the present clause relating to shipments of Gold and substitute the following—

"All or any part of the Gold produced in South Africa, and not otherwise disposed of, to be shipped to England by the Producers consigned to the Bank of England."

Discussion took place in regard to the suggested private meeting of certain Central Banks in the Autumn, in anticipation of an eventual conference as proposed at Genoa. The Committee were of opinion that, provided the United States would consent to participate, it would be expedient to endeavour to arrange such a meeting, but they considered that it could only be regarded as affording an opportunity for a preliminary and informal exchange of views. It was generally agreed that invitations should be limited to the Heads of Central Banks in those countries whose Exchanges are within, say, 10% of parity. Sir Ernest Harvey was asked to prepare a list of the Bankers to whom invitations might be extended and to draw up a programme for consideration, bearing in mind the Resolutions of the Genoa Conference.

22nd April 1925

In regard to the forthcoming "Gold" announcement, the Governor acquainted the Committee as to the present position -

C195-04

1. With reference to his letter of the 8th April which was read the Treasury have agreed to all the points therein mentioned.

2. His letter to the Federal Reserve Banks in regard to the \$200,000,000 credit has been duly received and their reply has been despatched.

3. The letter to be written by the Chancellor to Messrs. J. P. Morgan & Co. in regard to the \$100,000,000 credit and the terms of their reply have been agreed.

4. Holland Java Commonwealth of Australia New Zealand	} have agreed to make a simultaneous and similar announcement to the Chancellor's.
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Switzerland	will make no definite change before next year
-------------	--

Japan	A cable from the Governor of the Bank of Japan expressed regret that no definite change could be made at present
-------	--

5. The Clearing Bankers have passed the following Resolution -

"In the event of legislation being passed making
and Bank of England Notes
Currency Notes ^{redeemable} in gold at the Bank of
England at that Bank's option either in coin or
in bullion at the pre-war selling price, viz.,

the

22nd April 1925

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"The Banks will undertake for a period of two years
"from the date when such legislation takes effect not to
"acquire or hold ^{on their own behalf, or to carry on gold coin or bullion} coin or bullion on behalf of customers
"residing in the United Kingdom and to hold at the
"disposal of the Bank of England such gold as they may
"receive in the course of business.

b. The Governor laid before the Committee the draft Bill in regard to the sale of gold bullion and suspension of issue of gold coin.

CT 95.04

The Committee deeply regretted that, after so many years, it should at last be necessary thus to make optional payment of Notes in coin. They hoped that even at this late hour such legislation might by some means be avoided and long discussions took place on this question in general and in particular on the inconvertibility of Notes below the value of £5.00 and on the status of Bank Notes as legal tender.

The Governor, while entirely sharing these views, reminded the Committee that in the foregoing resolution of the Clearing Bankers their undertaking was conditional upon legislation on the lines of this draft Bill: he had attended several meetings of the Clearing Bankers both at the Treasury and at the Clearing House, at which lengthy and full discussions took place on this whole subject and the Bankers had been urged by the Chancellor personally to come to such an agreement as would avoid the need for this Bill and would follow the Cunliffe Report and continue the practice of the last 10 years. But the Clearing Bankers had made it abundantly clear that without legislation they would give no unanimous, or indeed useful, undertaking and

would

22nd April 1925

would indeed consider themselves free to further the withdrawal of coin for internal circulation.

Eventually the Committee came to the opinion that the Bill as proposed was unavoidable and should be approved.

Present

A full Committee
and the Comptroller.

Wednesday, the 29th April, 1925.

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 following were submitted and referred to the Comt—

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

Quarterly Report of the Audit Committee.

Minute of the Audit Committee in regard to the Audit of the Bank's Accounts.

In regard to the discussion last week on the subject of the proposed Act of Parliament to make optional the payment of Notes in gold coin the Governor mentioned that the Report of the

Committee

29th April 1925

Committee on the Currency and Bank Note Issues in Clause 4b specifically recommends legislation in the event of the Bankers declining to enter into an adequate undertaking.

With reference to previous Minutes the Governor read to the Committee the following letters -

(1) From Sir William Lecoe

CT 95.04

(a) Approving the draft of the proposed Bill in regard to the return to the Gold Standard.

(b) Expressing his opinion that the liability of the Stockholders of the Bank of England is limited and that their position is not affected by the judgment in the case of the Commissioners of Inland Revenue v the Bank of Ireland.

N/E
Letter in CT 40

(2) From the Governor of the Bank of France - thanking him for his letter of the 22nd April and informing him of his difficulties.

It was agreed to recommend to the Court that the proposals contained in the Governor's letter of the 8th April, which was read to the Committee on that date, and in a letter of the 20th April from the Governor of the Federal Reserve Bank of New York in regard to the arrangements for setting up a revolving credit of \$200,000,000 with the Federal Reserve Bank of New York be approved.

With reference to the Minutes of the 26th January last, when it was agreed to place at the disposal

29th April 1925

disposal of the Reserve Bank of South Africa a credit of £5,000,000 on the security of gold or British or Union Government Treasury Bills or approved Commercial Bills, the Governor stated that they now find they are legally unable to borrow. It followed that the only way the Bank of South Africa could get accommodation was by rediscounting, which he proposed to do.

The Governor informed the Committee that he had had a visit from the Governor of the Bank of Ireland who, in view of the state of affairs in the Irish Free State, was anxious about the prospects of his Bank.

With reference to last week's Minutes, a memorandum of suggestions as to the invitation to be extended to Banks to attend the proposed Meeting and as to the programme to be discussed was submitted for consideration of the Committee at their next meeting.

CT95.04 A question having been raised as to the policy of the Bank in regard to the option given to them to refuse payment of Notes in gold coin, the Governor expressed the hope that it might not be found necessary to exercise this power.

Wednesday, the 6th May, 1925

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 that a donation of £500 be made to the Torbank Sports Club as the Bank's contribution towards the cost of a new Pavilion.

On an application from the widow of H. O. Harrison, a pensioner, formerly Principal of the India Office, it was agreed to grant her during pleasure the usual scale allowance of £60 a year.

The Governor acquainted the Committee of the following matters which had arisen since the last Meeting -

CT 9504 (1) The British Bankers' Association have passed the same Resolution as the Clearing Bankers on the subject of taking and earmarking Gold.

CT 9504 (2) Owing to his co-operation with the Commonwealth Bank an announcement will be made immediately that the Australian Exchange has been reduced to conform with the resumption of the Gold Standard, and he was therefore prepared to earmark sovereigns to any extent on behalf of the Commonwealth Bank.

(3) He

6th May 1925

(3) He had written to the Chairman of the Stock Exchange requesting the Committee to co-operate in the policy of retaining in this Country as far as possible all moneys available for investment in order to reduce the strain upon the Exchanges.

With reference to last week's Minutes, the Memorandum of suggestions as to the invitation to be extended to certain Central Banks to attend an informal meeting in the Autumn was further discussed. It was agreed that Germany, Holland, Sweden and the United States might be invited, that the meeting be confined to general and private discussion of the various methods which have from time to time been suggested as most likely to achieve the ends in view and that no Resolutions be submitted to the Meeting. The Governor stated that he proposed to send copies of the matters to be discussed to Mr. Strong and Dr. Schacht for their approval.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Sir Robert Kindersley
Sir Charles Addis
Mr. Wallace and
Mr. Whigham.

Wednesday, the 13th May, 1925.

The proceedings of the last Committee were read and agreed.

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

13th May 1925

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

It was agreed to grant to the widow of Thomas Smith, a Pensioner, an allowance during pleasure of £60 a year according to the scale.

With reference to the Minutes of the 25th April 1923, it was agreed to continue for 3 years to subsidise the Funds of the Bank Sports Club to the extent of 15/- for every 20/- of subscriptions received from members.

It was agreed to recommend to the Court for approval -

1. A Minute of the Staff Committee.
2. A donation to the Funds of the Langbowin Club for Women Workers in the City.
3. A proposal that a domestic History of the Bank be compiled.

146
ex. 445

The Deputy Governor informed the Committee that in accordance with the authority granted by the Court in June 1922 the Rebuilding Committee had recently sanctioned the publication of a statement by the Architect, and regretted that the "Times" had erroneously made the statement appear to emanate from the Directors.

The Governor acquainted the Committee of the following matters which had arisen since the last Meeting -

(1) He had, as arranged last week, sent to Mr. Strong and Dr. Schacht copies of the matters suggested for discussion at the proposed informal meeting of Central Banks in the Autumn.

N/E
Paper in C118

(2) With

13th May 1925

(2) With reference to last week's Minutes, the Commonwealth Bank of Australia have now arranged to supply Cash in Australia, below the cost of shipment of Gold, against the deposit of Cash in London. They may later have to withdraw a corresponding amount of Gold and they have therefore agreed to earmark, say, 50% of all amounts so deposited and will discuss the question again when the amount thus earmarked reaches £1,000,000 or £2,000,000.

(3) He had urged the Agent General and the Brokers to reduce the amount and price of the present New Zealand Issue, pointing out that Australasia has already over borrowed in London and that further Issues must therefore increase the balance liable to be settled in Gold. He had suggested that at least £2,000,000, if essential, might be raised in New Zealand, but after consultation the Agent General had refused to make either reduction.

(4) He had received a request for a donation to the Funds of the Metropolitan Hospital and he anticipated a similar request on behalf of the Middlesex Hospital. It was agreed to defer consideration until next week.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Aulhouse
 Sir Robert Hindleley
 Sir Charles Adlis
 Mr. Wallace and
 Mr. Wingham

Wednesday, the 20th May, 1925

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 results of the Election of the Staff Representatives on the Advisory Council of Directors and Staff was reported.

It was agreed to recommend to the Court of Directors that the Official Representatives for the ensuing year be -

Lord Revelstoke (Chairman)
 Sir Alan Anderson
 Mr. Wallace
 Mr. Goschen
 Mr. Walker
 Mr. Cattermo

It was agreed to recommend to the Court that a donation of £25 be made to meet a loss in connection with the Manchester Cotton Textile Exhibit at the Wembley Exhibition in 1924.

The Governor acquainted the Committee as to the following matters of interest -

(1) at

20th May 1925

(1) At his request the Comptroller has gone to visit the Central Banks of Sweden and Finland.

(2) Messrs. de Fraine and Chamberlain have gone to Budapest on the invitation of the National Bank of Hungary to advise them in certain printing difficulties.

(3) During the week he had had a friendly visit from M. Hantain, the Governor of the National Bank of Belgium, when the conditions of and in Belgium and the financial relations between the Allies were fully discussed: he had strongly opposed M. Hantain's desire to issue a Belgian loan in London and had urged that if necessary a further dollar loan be placed in New York. Regarding advances to the National Bank of Belgium he had declined to make promises on behalf of the Bank of England until the existing financial and political differences in Europe should have been removed, when he would welcome the closest co-operation.

(4) Referring to last week's Minutes, the New Zealand loan had proved to be too large and too dear and its failure had spoiled the chances of the London County Council issue. He had proceeded without delay with that issue, mainly, because he did not wish to commit the Bank to make advances to the London County Council

20th May 1925

Council for an indefinite period and he considered that this action was justified in the result.

(5) He had received a letter from Lord Staig, asking for assistance in completing the task of re-settling in civil life ex-officers and others who have not yet found permanent employment.

With reference to last week's Minutes, it was agreed not to grant a donation to the Metropolitan Hospital and to defer the question of a donation to the Middlesex Hospital until such time as a definite appeal should be received.

The general policy to be adopted for Charitable donations was considered and deferred.

The Deputy Governor reported that, in reply to an informal letter, he had told the Treasury that the Bank would require at least 12 months notice before they could take over the issue of £1 and 10/- notes and had asked for a letter to justify the Bank in making arrangements necessary for the amalgamated issue.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Sir Robert Mordaunt
Mr. Wallace and
The Comptroller

Wednesday, the 27th May, 1925.

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 pay to the Operatic, Dramatic & Orchestral Society a sum of not less than £20, sufficient to make good the deficiency in their funds for the past year.

The Governor drew attention to the fact, previously commented upon in the case of other Colonial Issues, that the prospectus of the recent New South Wales Issue contained no financial information or statistics, and he considered that the Committee of the Stock Exchange would in such circumstances be justified in deferring the question of a quotation for a Stock.

The Governor acquainted the Committee of the following matters which had arisen since the last Meeting -

(1) In

27th May 1925

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N/E
+ 10.10.
CT 90.03

(1) In view of the large number of recent and impending Colonial Issues he had asked the Chancellor to point out to the Governments of the Dominions and Colonies the strain thus caused on the Exchanges and to request their co-operation in reducing as far as possible demands for further loans.

+ 10.10.
Not extracted

(2) He hoped that within the next few weeks an amalgamation would be arranged between the Anglo-Austrian Bank and the London Merchant Bank which would be greatly to their mutual interest. He should then propose to take a further £100,000 Preference Shares.

CT 90.03.

(3) He was becoming more and more concerned by the position of Overseas Banks affiliated to or controlled by Clearing Bankers and by the prospect of active business being conducted in India and Egypt under the very name of Lloyds Bank. As stated in earlier Minutes he was refusing to recognise these Banks as approved acceptors and proposed gradually to go further.

CT. 117.

Several of the "affiliated" Banks have accounts here, which give them a privileged position and enable them in case of need to apply to the Bank for assistance. He considered, as a matter of principle, that the accounts of such Banks should be closed, and he instanced those of the Bank of London & South America and the Anglo-Egyptian Bank.

(4) Within

27th May 1925

(4) Within the next few days he expected two representatives of the Federal Reserve Bank of New York to arrive in this country to study the technique of the London Gold Market.

(5) In response to a request from the Bank Polski he proposed to give them a credit against Gold and/or Foreign Bills, as has already been suggested in the case of Hungary and Austria.

(6) He had learnt that, without the previous knowledge of the Bank, the Chilean Government had sold to Messrs. Rothschild at $\frac{5}{11} \frac{10}{100}$ per oz. the Gold set aside on their account, with the right to call the same amount after a given period; while the Gold had been sold to the Bank by Messrs. Rothschild at $\frac{5}{11} \frac{9}{100}$. In the circumstances he was temporarily placing to a suspense account the difference between these two prices, which had been deducted from the Commission paid by the Chilean Government.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Sir Robert Kindersley
Sir Charles Addison
Mr Wallace
Mr Wingham and
The Comptroller

Wednesday, the 3rd June, 1925.

The proceedings of the last Committee were read and agreed.

The

2nd June 1925

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

Following on last week's conversation in regard to the Bank Rate, the Governor said that during the last few days the position had considerably altered: India was again taking gold from here and from South Africa; Australia had earmarked a further £50,000 and would probably take more, and any reduction in the Rate at the present time therefore seemed impossible. It was agreed that no alteration be recommended.

On an application from the widow of Ernest M. Beach, a Pensioner, it was agreed to grant her the usual scale allowance of £46 a year.

It was also agreed that the education allowance of £50 a year, which was granted to Beach for 2 years to the 31st December 1926, be paid until that date to Mrs Beach.

It was agreed to recommend that a Pension, as detailed in a separate minute, be granted to Percival W. Abbott, a Superintendent in the Securities Office.

With reference to last week's Minutes the Governor informed the Committee -

(1) That the negotiations for an amalgamation of the Anglo-Austrian Bank and the London Merchant Bank had unfortunately broken down at the last moment.

(2) That

1875
Not extracted.

3rd June 1925

~~10.16~~
CT 90.03

(2) That Lloyds Bank had taken over the offices and business in Egypt of the Bank of British West Africa, an arrangement which he had hoped might have been avoided.

~~10.16~~

CT 90.03
CT 117.

The Committee further discussed the position of Oversea Banks, controlled by or affiliated to Clearing Banks, and again approved the policy of gradually closing ^{the accounts and discriminating against} the acceptances of such Oversea Banks.

With regard to the "Wilson" case the Governor informed the Committee that the hearing of the Appeal would commence on the 23rd June.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr Lubbock
Sir Robert Knidderley
Mr Wallace and
Mr Birmingham

Wednesday, the 10th June, 1925.

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.

A Minute of the Committee on Advances and Discounts, recommending the re-opening

10th June 1925

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re-opening of a Discount Account, was submitted and referred to the Court.

A monthly Report of the Committee on Advances and Discounts on the Discount business of the Bank was submitted and approved.

It was agreed to recommend that a contribution of £500 be made to the Fund for Rebuilding the Middlesex Hospital; the money to be paid as and when the Deputy Governor deems fit.

The Governor read a letter from Messrs. Deville Plender Griffiths & Co. concerning in the Bank's view that, under the existing system of employing Customers' money in Treasury Bills or Trade Bills, the Bank are not departing from their practice of not allowing interest on deposits.

The Governor acquainted the Committee of the following matters which had arisen since the last Meeting -

(1) At his request the Comptroller had gone to visit the Central Banks of Hungary and Austria, and especially to enquire into the policy of Dr. Reich and the latter Bank.

(2) He had been urged to facilitate the placing in London of a short credit for Italy, as had been arranged in New York, but had declined to do so.

(3) The

10th June 1925

(3) The Colonial Office had not yet transmitted to the Prime Ministers of the Dominions and Colonies the suggestion, referred to in previous Minutes, for their co-operation with regard to future loans, and he read to the Committee a letter written by him to the Chancellor, pointing out the reasons for the request and asking him to take action.

(4) A sum of £1,200,000 in gold-bars had been received from the Reserve Bank of South Africa which, in accordance with a standing order, had been sold to the Reichsbank.

(5) He had learnt with regret and admiration that Mr. Clegg had arranged to remain as Governor of the South African Reserve Bank for a further period of three years.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Mr. Wallace and
Mr. Whigham

Wednesday, the 17th June, 1925.

The proceedings of the last Committee were read and agreed.

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

Minutes of the Staff Committee recommending -

17th June 1925

88

(1) Appointments

(2) The election of 15 Probationary Clerks to the Permanent Staff.

together with the usual Quarterly Report, were submitted and referred to the Court.

On an application from A. P. Ambrosion, a Pensioner, formerly of the Liverpool Branch, who has a wife and two children to maintain and is unable, on account of continued ill-health, to do anything to supplement his Pension of £25q a year, it was agreed, as an exceptional case, to recommend an additional £50 a year for 5 years towards the education of his children.

CT 192
The Deputy Governor mentioned that the combined advance and overdraft to Messrs. Armstrong, Whitworth & Co. now amounted to upwards of £2,600,000, which was larger than anticipated. Their organization and financial position were about to be examined by an experienced man and for the present he proposed to continue the account as heretofore.

The Governor acquainted the Committee of the following matters which had arisen since the last Meeting -

CT 90
~~1926~~
(1) He had had a visit from Mr. Pease who had told him in all confidence of his intention to open negotiations for the amalgamation of Lloyds Bank with the Manchester County Bank, and he read to the Committee a letter marked "Very Secret" he had written to the Treasury on the subject.

(2) Mr. Pease

17th June 1935

(2) Mr. Pease had again called and similarly stated that in his opinion the arrangements in London for the issue of Dominion and Colonial Loans were inadequate and that he proposed to get together a syndicate headed by Lloyds Bank to make such issues and to combine with America if necessary.

(3) Referring to last week's Minutes a further sum of £1,600,000 in Gold Bars had been received from the Reserve Bank of South Africa of which the greater part had again been sold privately to the Reichsbank slightly below the market price, there being practically no buyers on the market.

He had acquired \$2,000,000 in New York from the National Bank of Switzerland, against an equivalent amount of gold purchased and set aside in London.

(4) Mr. Harrison and Mr. Crane of the Federal Reserve Bank had now returned to America after having freely examined the organization and methods of the Bank.

He expected Mr. Strong (who would be accompanied by Dr. Stewart, Economist to the Federal Reserve Board) to arrive about the 4th July, and he proposed to go with him on a visit to the Reichsbank.

(5) He had been asked by one or two of the Bankers to support a proposed "Public Security League", but he had declined to take any part in the matter.

Present

A full Committee
and
the Comptroller

Wednesday, the 24th June, 1925

The proceedings of the last Committee were read and agreed.

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

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

The Deputy Governor mentioned the case of H. W. Morley, whose pension was discontinued in November 1924 on it becoming known that he had had dealings with professional moneylenders. It appeared that Morley was in straitened circumstances and that his family were not in a position to afford him any permanent assistance. It was agreed to recommend that, provided one of his daughters was willing to accept responsibility for his maintenance, an allowance, during pleasure, of 50/- a week be paid to her for his benefit.

A full discussion took place on the principle involved in the actual and proposed sales of Gold by the South African Reserve Bank to the Reichsbank at prices between $77\frac{5}{9}$ and $77\frac{6}{10\frac{1}{2}}$ without the intervention of a Broker.

The

24th June 1925

The Governor acquainted the Committee of the following matters which had arisen since the last Meeting -

1. One or two (out of many) persons had asked for Gold coin in exchange for Notes presented in the Issue Department, adding that they wanted the gold to take abroad. He had declined these particular requests.

2. In connection with a Deputation from the Inades Union Congress to the Prime Minister he was endeavouring for the private information of the Prime Minister, to collect the aggregate figures of Soviet Credits etc. in London.

3. Sir Ernest Harvey had now returned from his visit to Austria and, while Dr Reich had corrected certain particular defects to which his attention had been drawn, his general attitude and the internal administration of the Bank remained most unsatisfactory. The Governor proposed to maintain a non-committal attitude towards Dr Reich who was coming to London shortly.

4. He had again acquired \$2,000,000 in New York from the National Bank of Switzerland against an equivalent amount of Gold purchased @ $77\frac{3}{4}/10$ and commarked in London.

5. He had had a long and friendly talk with Sir Robert Horne and Sir Austin Harris on

the

CT 90-03 10-10

24th June 1925

the points which had arisen in connection with the various proposals put forward by Mr. Pease and referred to in previous Minutes.

He had also had further visits from Mr. Pease who had somewhat modified his views and now stated -

CT 90

(1) His intention to consult the Chancellor before taking any further action for the amalgamation of the Manchester & County Banks with Lloyds Bank.

(2) His willingness in principle to dispose of the business of Lloyds Bank in India and Egypt, although he knew of no likely buyers.

As regards the Banks of London & South America, he pleaded that the Banks should not proceed, as intimated, to close the account or refuse the acceptances, which would entail a most serious loss of prestige and shock to credit. Mr. Pease undertook to consider a suggestion to dispose of these holdings either by sale or by distribution, and the Governor promised to take no immediate step in either direction.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Lubbock
Sir Robert Kindersley
Mr. Wallace and
The Comptroller

Wednesday, the 1st July, 1925.

The proceedings of the last Committee were read and agreed.

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

1st July 1925

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

With reference to last week's minutes the Governor informed the Committee as follows: -

(1) Owing to opposition on the part of a Banker he had been unable to obtain the aggregate figures of Soviet Credits etc. in London.

CT 90

(2) The Chancellor had written to Mr. Pease that he shared the views expressed by his predecessor to the effect that further amalgamations with the five large Clearing Banks would not be regarded with favour.

N/E.
Paper in CT 38.

(3) He had received a visit from Dr. Reich whose description of the position between Dr. Brauns and himself and of the internal position of the National Bank seemed unsatisfactory if not incredible.

Further discussion took place on the principle involved in the actual and proposed sales of Gold between one Central Bank and another at prices between 77/9 and 77/10½ without the intervention of a Broker.

N/E
CT 90.03

With reference to the issue of loans on behalf of the Dominions and Colonies and to the

1st July 1925

the difficulties which may be experienced in London in order to supply their needs, the Governor read to the Committee a confidential letter he had written to the High Commissioner for Australia, stating certain points which he suggested should be observed in any temporary arrangements that may be made.

In ~~this~~ connection the Governor mentioned that a Sub-Committee of the Committee of Civil Research appointed by the Cabinet was about to be set up to examine the question of the capacity of this Country to meet demands for credit at home and abroad, and he had been asked to become Chairman of this Sub-Committee. He proposed to accept the invitation to serve as a Member but not as Chairman.

Present

A full Committee
and the Comptroller

Wednesday, the 8th July, 1925

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.

A Minute of the Staff Committee recommending appointments etc. was submitted and referred to the Court.

after

8th July 1925

CT 60.

After discussion it was agreed that H.O. Peppiatt, who is to be appointed Assistant Principal of the Discount Office, be informed on his appointment that the Court reserve the right to prevent the acceptance by Clerks in the Bank of any position in the Discount Market, and that this right will probably be exercised in future.

The Deputy Governor reported that he had refused an invitation to serve on a Committee which may shortly be set up to investigate the conditions in the coal trade.

A letter was read from the Foreign Office stating that they proposed to nominate a fresh representative to act for the Bank in a forgery case at Buda Pesth and that they are withdrawing the Power of Attorney sealed by the Bank in February last.

The question was raised whether, having regard to the recommendation of the Committee on Currency, etc., that the policy of placing Bank Notes in the Currency Note Reserve should be continued "as opportunity arises", it would not be advisable to resume that policy now instead of deferring action until such time as it may be rendered obligatory by a demand for Currency Notes in excess of the authorised limit. No decision was taken.

For

8th July 1925

For the purpose of record, the Committee affirmed their acceptance and support of those Resolutions of the Financial Commission of the Genoa Conference which affect Banks of Issue, by which Resolutions the Bank have in recent years been guided and by giving effect to which it is hoped that general co-operation and exclusive relations between Central Banks may in due course be promoted.

The Committee having again discussed the question of transactions in Gold between one Central Bank and another, as stated in last week's Minutes, agreed -

1. That a satisfactory free Gold Market did not at present exist in London but was desirable.
2. That purchases and sales of Gold between one Central Bank and another at prices between $\frac{5}{17}\frac{6}{9}$ and $\frac{5}{17}\frac{10}{12}$ were properly included in the private relations between Central Banks.
3. That, if not carried out on the Market, such purchases and sales should, as a general rule and with due regard to secrecy, be supported by contracts for account of undisclosed principals.

+ 2 to
et 90

With reference to previous Minutes, the Committee were informed that on the 7th July in the House of Commons the Chancellor had expressed the view that further amalgamations with the larger Banks would not, in principle, be regarded with favour by the Government.

The

8th July 1925

The Governor informed the Committee as follows -

1. With reference to last week's minutes on the subject of the issue of loans to the Dominions and Colonies he had seen the High Commissioner for Australia, who agreed with him as to the arrangements that should be made. An attempt had been made over here to change the Banks and Brokers who have hitherto been responsible for the issue of Australian loans but the Chancellor, who had been approached, had expressed the view that it was a matter which only concerned Australia. He did not anticipate any further action at present.

So far as ^{our} customers - Queensland and India - are concerned he proposed and the Committee agreed in principle that the Bank should in future make issues jointly with the respective Central Banks.

2. He proposed shortly to see M. Hantain, the Governor of the National Bank of Belgium, and to tell him that the question of credit for the Bank of France, the Bank of Italy or the National Bank of Belgium was not now open to discussion and that in his opinion any meeting of the Bank of England with these three Banks would be useless at present.

Present

The Deputy Governor
 Lord Revelstone
 Lord Cullen of Rossmore
 Mr. Lubbock
 Sir Charles Addis
 Mr. Wallace
 Mr. Whigham and
 The Comptroller

Wednesday, the 15th July, 1925.

The proceedings of the last Committee were read and agreed.

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

On the subject of the Bank Rate the Committee discussed the following propositions, viz:—

CT 99

(a) Present conditions in the Money Market do not warrant a 5% Rate.

(b) A present reduction in the Rate would show that the Bank are not afraid to take a risk to help trade and would create a good psychological effect even if it should prove necessary to increase the rate again in September.

The question of raising the embargo on Foreign and Dominion Issues was also discussed.

The Committee felt that as it might be necessary to raise the Rate in September it would be unwise to lower it in the middle of July, and it was agreed that no alteration be recommended at present.

The monthly Report of the Committee on Advances and Discounts on the Discount business of the Bank was submitted and approved.

With

15th July, 1925

With reference to last week's minutes, the Deputy Governor informed the Committee -

ET 60

(1) That he had received a memorandum from the Chief Cashier on the question of Clerks leaving the Bank for positions in the Discount Market and that he proposed to ask Sir Gordon Navine and the Comptroller to add their comments, after which the memorandum would be circulated for the consideration of the Committee.

(2) That the Governor had discussed with the Treasury the question of reuniting the policy of transferring Bank Notes to the Currency Note Reserve but that they favoured not transferring Notes till it was necessary to do so.

(3) That the Governor is anxious to assist the Reserve Bank of South Africa to obtain control of the local Market in sterling exchange and with this object has refrained from bidding on behalf of the Reichsbank for gold offered in the Market when such offerings include gold belonging to other South African Banks. This week a large consignment of Russian Gold was offered in the Market simultaneously with gold imported by South African Banks and, in the absence of any buyers, was sold to the Bank at the statutory price.

The

15th July 1925

100

The Deputy Governor also informed the Committee of the following matters: -

(1) The plate printing machines offered to the Bank by Messrs. J. de la Rue & Sons Ltd. for printing £1 and 10/- notes had been favourably reported upon by our technical and patents experts but before finally committing the Bank to the purchase of these machines he had caused an official letter to be written to the Treasury in order to elicit definite authority to proceed.

(2) The Banks are considering what course to adopt in regard to the Widows Orphans & Old Age Pensions Bill now being considered by Parliament.

(3) He had declined an invitation to serve as Chairman of a Government Committee on Education in relation to Industry

211
CT 70-off

The Committee declined a request of the British Institute of International affairs to nominate a representative on the Institute and contribute £200 a year for 5 years.

See office
file MS4

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr Lubbock
 Mr Wallace and
 The Comptroller

Wednesday, the 22nd July, 1925.

The proceedings of the last Committee were read and agreed.

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

In order that the Committee might be in possession of all the facts when considering the Bank Rate the Deputy Governor informed them—

(1) That there is no change in the gold position in India.

(2) That the Treasury propose to-day to take £500,000 Bank Notes for Currency Note Reserve.

(3) That the Reichsbank's demands for Gold are likely to be curtailed for two reasons—

(a) They have supplied part of their requirements by purchases from Switzerland and Norway.

(b) A considerable portion of their foreign valuta ^{may} will be required to enable German Banks to repay short term foreign credits and unless the latter can be replaced by foreign loans the Reichsbank will not have the means to finance further extensive purchases of gold.

Meanwhile the Reichsbank wish to keep £2,000,000 in London and the Bank have been requested to continue to purchase Gold at their discretion for the Reichsbank up to a limit of £500,000 per week.

(4) That

22nd July 1925

(4) That the Commonwealth of Australia will have about £8,500,000 available from the proceeds of the loans recently issued simultaneously in New York and London after liquidation of existing debts and the transfer to the various Australian States of their respective shares of the proceeds: and that the High Commissioner on the instructions of his Government is in consultation with the Treasury and the Bank as to the disposal of this sum.

(5) That, with the approval of the Treasury, the South African Government propose to issue shortly in London a loan for £4,000,000 in replacement of maturing obligations for a like amount.

It was agreed to recommend that no alteration should be made in the Bank Rate.

On a request from Mr. Alfred Kohnstamm, a Director of R & A. Kohnstamm Ltd., old and valued customers of the Bank, and President for this year of the Leather and Hide Trades Provident and Benevolent Institution, it was agreed to make a donation of £25 to the Funds of the Institution provided that the name of the Bank does not appear.

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 17th September.

With

22nd July 1925

ET. 60

With reference to the Minutes of the 8th and 15th instant it was agreed to recommend to the Court of Directors that in future the Bank should not permit the acceptance by Clerks in the Bank of any position in the Discount Market.

The Deputy Governor reported the following matters to the Committee -

That it does not now appear likely that the Banks will agree on any common course of action in regard to the Widows, Orphans & Old Age Pensions Bill.

That the Foreign Office had now nominated a new legal representative of the Bank in the forgery case at Budapest and the necessary Powers of Attorney would come to the Court to-morrow to be sealed.

That, in view of the Bank taking over the issue of £1 and 10/- Notes, it is necessary to construct vaults at St Luke's to store the Notes before issue. The estimated cost is £20,000 and Holloway Brothers, who are now carrying out other work at St Luke's, are to be asked to tender.

ET. 76

He also reported that the judgment given in the Bank's favour in the case of Wilson's Executors v the Bank of England had been reversed on appeal and that Messrs. Frexfield^h had advised the Bank to enter an appeal at once to the House of Lords against this decision, in order to secure a stay of execution whilst the Bank have time to consider as to their course of action.

The Committee agreed.

Present

The Governor
 The Deputy Governor
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Sir Charles Addis
 Mr. Wallace and
 The Comptroller

Wednesday, the 29th July, 1925.

The proceedings of the last Committee were read and agreed.

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

The Deputy Governor informed the Committee of the terms of an arrangement in regard to Dollar Purchases which has been made between the Treasury and the Commonwealth of Australia.

Discussion took place on the Bank Rate.

CT99 The Governor informed the Committee that the Federal Reserve Bank were anticipating the necessity of raising their Rate, but it was not expected that any change would be made for some weeks.

The threatened Coal Strike was regarded as an obstacle to any reduction in the Bank Rate, and the Committee agreed that unless conditions altered in the meantime it would be inadvisable to recommend the Court to make any change to-morrow. They considered, however, that an early reduction is desirable if conditions warrant it, and they agreed that in the event of the Strike being settled to-day the question should be reconsidered to-morrow.

The

29th July 1925

The Deputy Governor acquainted the Committee of the following matters -

(1) A letter had been received from the Treasury asking whether the Bank will be willing to modify the payments made to them by the Bank of France in order that the French Government may pay the English Government an equivalent amount of debt.

It was agreed that the question be considered later.

+ 10/6
ET 90

(2) With reference to previous Minutes Mr. Pease had told him that the Manchester & County Bank were ^{still} anxious to proceed with the suggested amalgamation with Lloyds Bank and were proposing to approach the Chancellor on the subject, but that their proposed action was not at his instigation.

(3) The British Bankers Association had decided not to take any steps to obtain exemption for Bank employees from the provisions of the Widows, Orphans and Old Age Pensions Bill.

Quarterly Reports of the Committee on St. Luke's and of the Staff Committee with "Overs" and "Shorts" were submitted and referred to the Court.

It was agreed to recommend to the Court of Directors that a Pension of £416:13:4,

m

29th July 1925

in accordance with the scale, be granted during pleasure to Samuel Self, a Cashier, as from the 1st August, when he attains the age of 65.

ET. 60.

The question of issuing to the Staff a notice of the Bank's decision not to permit Clerks leaving the Service to take positions in the Discount Market was discussed and the matter was left in the hands of the Deputy Governor.

The Governor informed the Committee of the position in Brussels and Berlin.

He had reason to believe that before long Belgium would separate her currency and exchange from those of France to which they had for so long been tied. Belgium would obviously improve her position by resuming her separate existence but during the change she would require to be supported by large foreign loans.

He was uneasy about the German exchange and the power of the Reichsbank to control the situation. German Banks had recently financed themselves by large short term foreign credits and in his view the underlying cause of the weakness of the German financial position was that reparation payments in kind had been greater than Germany could economically afford. During the last four months the Reichsbank had provided the equivalent of 500,000,000 gold marks for the liquidation of short term foreign credits and further amounts might have to be provided in August. The
payments

29th July 1925

The payments already made had depleted the Reichsbank's stock of foreign currencies and little more could be provided except by a contraction of the currency.

Present

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

Wednesday, the 5th August 1925.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of ^{Discounts} ~~Accounts~~ and Advances granted to Bill Brokers, etc was read.

et 99. The Deputy Governor acquainted the Committee with the following facts bearing on the question of Bank Rate -

(1) The National Bank of Switzerland have agreed to sell to the Bank £2,000,000 and to take in payment Gold at the standard rate of $77/10\frac{1}{2}$ to be provided out of Gold to arrive from South Africa.

(2) In India the outflow of Gold is steadily maintained and is greater than anticipated: it is estimated that the gold in India and afloat is only sufficient for their requirements to the end of August, and that a further

5th August 1925

further £1,500,000 will be needed before the beginning of October.

ET 99.

(3) The Treasury had been informed of the Committee's decision that a reduction of the Bank Rate would be inadvisable under the immediate prospect of a coal strike. The Treasury had subsequently been informed in response to enquiry that the Bank regarded that prospect as having been removed by the peace arranged by the Government.

He also read to the Committee a cable of the 1st August sent by Governor Strong to the Federal Reserve Bank of New York.

It was agreed to recommend to the Court of Directors to-morrow that the rate of discount be reduced from 5 per cent to $4\frac{1}{2}$ per cent.

The Deputy Governor informed the Committee -

(1) That the Treasury had now requested the Bank to take the necessary steps to place orders for 15 plate printing machines for £1 and 10/- Notes. The Committee agreed that when the first order for machines had been placed the Court should be informed.

(2) That the Treasury had already taken £1,500,000 Bank Notes for Currency Note Reserve; it was agreed that it would be well for them to take further Notes to-day.

The

5th August 1925

The usual Quarterly Report of the Audit Committee was submitted and referred to the Court.

It was agreed to recommend to the Court that pensions be granted during pleasure and in accordance with the scale to Ethel M. A. Warner, a Woman Clerk, and Thomas J. Hammond, a Bank Note Stamper.

Present.

The Deputy Governor
Lord Cullen of Astibourne
Mr. Lubbock
Mr. Wallace and
The Comptroller

Wednesday, the 12th August, 1925.

The Minutes 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.

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

The

12th August 1925

The Deputy Governor informed the Committee as follows -

1. The gold position in India is unchanged since last week.

2. The purchase of \$2,000,000 from the National Bank of Switzerland has been completed; about £100,000 of the gold required in payment was bought in the Market, the balance being gold received from the South African Reserve Bank.

+2 to
ex 90.03

3. He had been informed by Mr Goodenough that the arrangements for amalgamating the National Bank of South Africa, the Anglo-Egyptian Bank and the Colonial Bank were now complete, and that the announcement would be made on Friday next. He had told the Treasury, who agreed that nothing more could be done.

or 6

4. The Governor had recently agreed in principle to make advances to Bank Polski on the security of approved Sterling Commercial Bills: no terms had been agreed and no such transactions had taken place. Bank Polski had now sent us for discount a parcel of Sterling Bills accepted by Hungarians unknown to us. He proposed to leave the decision over for the Governor.

5. The profits of the Half-Year, after providing for a dividend of 6%, would probably be about £2,500,000 and he proposed that after applying

£500,000

12th August 1925

ET/188.

£500,000 To Rebuilding Premises
 £100,000 To Fire Insurance
 £750,000 To Income Tax

The balance should be used to bring the book values of Indian, Colonial, Foreign and other Securities into closer relations to book values of Government Securities.

Present

The Governor
 Lord Cullen of Ashbourne
 Mr Lubbock and
 The Comptroller

Wednesday, the 19th August, 1925.

The Minutes 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 monthly Report of the Committee on Advances and Discounts on the Discount business of the Bank was submitted and approved.

On an application from the Widow of Henry W. W. Goudge, a Pensioner and formerly a Cashier, it was agreed to grant her during pleasure an Allowance of £60 a year in accordance with the scale.

With

19th August 1925

With reference to previous Minutes, the Governor mentioned the following matters to the Committee -

or 6 (1) The greater part of the bills forwarded recently by the Bank Polster were those of a British Company of moderate standing and he had decided in all the circumstances to make advances against them.

et 90.02 (2) He much regretted that notwithstanding his protests to the Bankers last year, their Deposit Rate had on this occasion been reduced to 2% below Bank Rate.

~~10.16~~
et 90.03 (3) As the amalgamation of the Colonial Banks, the Anglo-Egyptian Bank and the National Bank of South Africa under the domination of Barclays Bank had been announced he proposed, subject to such arrangement as may be made with Lloyds Bank in regard to the Bank of London & South America, to put into effect in due course the agreed policy of discrimination against Banks so formed.

(4) Assuming that Belgium would now agree with the United States as to the terms of repayment of her Debt, he regarded this as a prelude to the devaluation of her currency and to the separation of her exchange from that of France. He anticipated, therefore, that if the ideas of M. Hantain were adopted, Belgium would eventually come into the market as a borrower on a large scale.

(5) When

19th August 1925

(5) When discussing the possibility of arranging an informal meeting of Central Banks to take place in the autumn it was agreed that nothing could be done without the participation of the United States. He had now ascertained that Mr. Strong could not come to a meeting (a) connected with the League of Nations or (b) to discuss a set agenda or (c) to reach any definite agreement, unless expressly authorised. Further, the Resolutions of the Genoa Conference which were the basis of the proposed meeting favour the stabilisation of the price of Gold, or in other words the regulation of prices, a policy to which the Federal Reserve System was never likely to agree. In his opinion it would therefore be useless to attempt to arrange any such meeting this year.

Present

The Governor
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Mr. Whigham and
 the Comptroller.

Wednesday, the 26th August, 1925.

The Minutes of the last Committee were read and agreed.

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

26th August 1925

114

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 be granted, during pleasure and in accordance with the scale, to Frederick W. Ashford, a Machinist at St Luke's Printing Works.

The Governor informed the Committee of the following matters which had arisen since the last Meeting -

10.16
ET 90.03

(1) With reference to previous Minutes and especially to those of the 24th June 1925, he had seen Mr. Beaumont Pease, who had told him that he personally wished the policy then outlined to be carried out in due course.

(2) The German Government have recently passed an Act to valorise certain pre-war Bonds etc. and exchanges under the Act will be made by the Reichsbank and in all probability by the Bank of England in this country. In order to penalise persons who may have speculated in these Securities the law provides for a considerably lower valorisation of Securities covered by the Act which have changed ownership since 1st July 1920. This provision may cause trouble on the Stock Exchange and an outside person has been appointed to adjudicate on all claims.

(3) He

26th August 1925

(3) He discussed with the Committee the advisability of the Trades Facilities Act Advisory Committee being asked to provide the long-term credits required to enable Russia to place orders in this Country for machinery which she urgently needs to replace machinery originally purchased here. The Committee were generally of the opinion that the Advisory Committee could not be asked to give any guarantee in this matter while the claims of Russian Bondholders and Creditors were ignored, and while the Soviet Government continue to carry on active hostile propaganda.

(4) He outlined his attitude in the negotiations now proceeding between M. Caillaux and the Chancellor of the Exchequer in regard to settlement of the French Debt.

With reference to the profits of the Half-Year the Governor stated that after setting aside the sums agreed to by the Committee on the 12th instant there would still remain for disposal a balance estimated at £1,244,602.

The Committee agreed that £1,200,000 should be carried to a new account to be opened in the General Ledger entitled "Dollar Investments Reserve Account"; any balance standing to the credit of this account to be treated as a deduction from

The

26th August 1925

the total of the securities etc. in the Dollar Investment Schedule in the Weekly Balance Book and in the Half-yearly Accounts. The remainder of the surplus, if any, to be transferred to Suspense Account No. 1.

The Committee also agreed that the profits available, after providing for a dividend etc., should be similarly treated each half year until the Currency and Bank Note Issues are amalgamated.

The Committee considered the position now arising under the Bank's guarantee in respect of Bills of Exchange purchased for account of Central Banks but, in view of the large Reserves already held, they decided to make no especial provision against this contingent liability.

At the conclusion of the Meeting the Members present, together with Messrs. Ingham, Jinks and Whitworth, considered a memorandum by the Deputy Governor with reference to a request by the Chancellor of the Exchequer that he would consent to serve on the Commission to enquire into the Coal Trade. After full discussion it was agreed that the Governor should send the following letter to the Chancellor: -

"Bank of England"
26th August, 1925.

"Dear Mr. Chancellor,

"Following on your interview with
the Deputy Governor on Monday, the 24th instant,

"he

Extract of
Papers in
211
ET. 7064

26th August 1925

"he has asked me to answer on his behalf
 "the request you then made that he would
 "consent to serve on the Commission to
 "enquire into the Coal Trade.

"I have consulted those of my colleagues
 "now in London, who, after long consideration,
 "are of opinion that in the present condition
 "of affairs it is imperative for the Deputy
 "Governor to devote himself entirely to the
 "duties of his office.

"Although comparatively few of my
 "colleagues are at present available, there is
 "no doubt that they reflect the views of the
 "whole Court, and I am therefore reluctantly
 "compelled, on the Deputy Governor's behalf,
 "to acquaint you of his inability to accept
 "your invitation.

"I am,

"Dear Mr. Chancellor,

"Yours most faithfully
 "(signed) M. Norman.

"The Right Honourable

"The Chancellor of the Exchequer."

Present

Friday, the 28th August, 1925.

The Governor
 Lord Allen of Ashbourne
 Mr. Lubbock
 Mr. Wingham and
 The Comptroller.

ET 192.

In connection with the indebtedness of Messrs. Armstrong, Whitworth & Company to the Bank, the Governor informed the Committee that in April last he had arranged with Sir Glynn West for the appointment of Mr. Frater Taylor to undertake a thorough investigation of the Company's affairs. Inquiries made at intervals during the summer by the Deputy Governor seemed to shew that in so far as the Company were aware of their financial position, their demands upon the Bank had about reached their limit at the present outstanding figure of £3,500,000.

The Governor however laid before the Committee a letter dated the 13th July and a cable dated the ~~12th~~ ^{13th} July 26th August sent from ^{Newfoundland by} Mr. Frater Taylor to Mr. Peacock indicating that there was urgent need for more money and that in his opinion a further £1,000,000 would still be required to complete the Newfoundland enterprise. He informed the Committee further that it seemed probable to Mr. Peacock that a further £500,000 might be required to meet the Company's expenditure in respect of existing commitments in this country.

Pending a Conference of all concerned to be held in London on Mr. Frater Taylor's return to this country - probably in October - Mr. Peacock would kindly try to arrange that the Bank should only make further advances for home requirements when approved by Messrs. Price, Waterhouse & Company, and meanwhile

The

28th August 1925

The Committee considered

(1) That the Bank must continue to advance money to meet expenses in Newfoundland as well as in this country.

(2) That the Company should be asked to make no new commitments without the Bank's approval, and

(3) That the Company should be asked to pay no dividends on the Share capital with the possible exception of the 1st Preference Shares.

Present

The Governor
The Deputy Governor
Mr Lubbock
Sir Charles Adair
Mr Wigham and
the Comptroller

Wednesday, the 2nd September, 1925.

The minutes 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 acquainted the Committee of the following matters—

(1) The letter he had written to the Chancellor at the request of the Committee declining the invitation

2nd September 1925

invitation for the Deputy Governor to serve on the Coal Commission had subsequently been similarly confirmed by the Deputy Governor.

cf. 192

(2) Since the Meeting on Friday last in regard to Messrs Armstrong Whitworth & Co.'s Newfoundland enterprise three more cables had been received from Mr. Frater Taylor, who suggests a Receivership and now estimates the further money required at £1,500,000, of which \$850,000 will be wanted by the end of this month.

ctb

(3) In company with Mr. Strong he had had several interviews with M. Mlynarski, the Vice President of the Bank Polski, who wished to obtain in New York or in London a credit for support of the Polish Exchange up to £5,000,000 for two years on the security of Polish Bonds and/or Treasury Bills. He had informed M. Mlynarski that he could not grant the Bank Polski a credit except against gold and/or Foreign Bills, as stated in his letter of May last, and M. Mlynarski had also met with refusal from Mr. Strong.

(4) He had received a cable from Mr. Clegg stating that in consequence of the Shipping Strike it would in all probability be temporarily impossible to export gold from S Africa and asking whether the Bank would be prepared, during the emergency, to

buy

2nd September 1925

buy any such gold and hold it in South Africa. In accordance with the recommendations of the Special Committee on the Bank Act of 1844, which were approved by the Court in December 1918, the practice of holding gold in other parts of the Empire has been discontinued, so he proposed to offer to advance to the South African Reserve Bank from time to time any Sterling they might require against Gold Certificates furnished by the Mint in Pretoria.

(5) The control of Austria and Hungary by the League of Nations will shortly be terminated or largely reduced, and he considered it would then be of even greater importance than at present for each of the two Central Banks to have the services of a competent financial adviser. He was uncertain how and where to find suitable persons to fill these posts, and he asked the Committee to consider whether in the event of no suitable persons being found outside it would be permissible or expedient to endeavour to supply them from the Staff of the Bank.

ct 192

(6) The Bank still hold £14,000 of the £250 Consolidated Mortgage Securities of Messrs Arncliffe Whitworth & Co Ltd. issued last December; he proposed to retain £300,000 of this amount as registered stock in the names of the Bank's nominees and to register £14,000 in the name of Messrs. Mullen Marshall & Co.'s nominee for purpose of sale as opportunity offers.

(7) He

2nd September 1925

(7) He proposed to give a donation of £200 towards the expenses of rebuilding the organ of St Michael's, Cornhill.

(8) He had received an application from Mr Hoare for permission to join the Board of the Calcutta Company (a private Company owned by Messrs. Hoare Miller & Co. Ltd) which he proposed to refer to the Court.

Present

The Governor
Lord Allen of Aldborough
Mr. Whigham and
The Comptroller

Wednesday, the 9th September, 1925

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 Quarterly Report of the Committee on St Luke's on the Staff at St Luke's Printing Works was submitted and referred to the Court.

The Reports of Messrs. Deloitte, Plender Griffiths & Co. on the Accounts of St Luke's Printing Works and of the Works Department for the half year ended the

30th

9th September 1925 30th June last were submitted and referred to the Court.

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.

With reference to last week's Minutes-

etc.

(1) The Governor said that, as Poland's position was precarious and might collapse in spite of the good harvest, Mr. Strong hopes that it may be possible to arrange for American Bankers to grant a short credit on the security of Polish Bonds to be issued later.

(2) The Committee decided that there would be no objection to Members of the Staff of the Bank being seconded to act as "advisers" to the Central Banks of Austria and Hungary.

The Governor mentioned that in company with Mr. Strong he had had very friendly interviews, during the past week, with Dr. Vissering and also with Dr. Schacht. In his opinion Mr. Strong's visit to Europe had been productive of much good, particularly in Germany where the position, while far from assured, is

somewhat

9th September 1925

somewhat improved. He was pleased to say that Mr. Schacht was shortly going to America at Mr. Strong's invitation.

He had discussed with them the recommendations of the Genoa Conference and all were agreed that it was doubtful if the Resolutions of the Conference could be put into practical effect. They were, however, attracted by the idea of an informal meeting of a few Banks next year, with no set agenda, to exchange ideas, to co-operate on matters of common interest and perhaps prepare the way for a general understanding between the Presidents and Governors of Central Banks.

Present

The Governor
The Deputy Governor
Lord Cullen of Aulhouse
Sir Charles Addis
Mr Wallace
Mr Whigham
and
The Comptroller

Wednesday, the 16th September, 1925.

The Minutes of the last Meeting 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 donation of £100 be made to the Funds of the Bankers Beneficent Society.

The

16th September 1925

The Governor mentioned the following matters to the Committee, viz:-

(1) He read a notice recently issued by the German Ministry of Finance as to lending public funds to German Banks and through them to the public at rates of interest below the ruling rate, which was likely to undermine the credit policy of the Reichsbank and was contrary to the spirit if not the letter of the Dawes Plan.

(2) During the past week he had several friendly interviews with Monsieur Popovics, the President of the Hungarian National Bank, whom he regarded as a strong man holding sound views. The position of the Bank is satisfactory but its power to control credit and interest rates is seriously weakened by the competitive employment of Government funds through the Geldinstitutszentrale, a state of affairs which the President is pressing his Government to terminate.

The Governor also asked the Committee to consider the following questions, viz:-

(1) The advisability of recommending to the Court that a formal letter (for eventual publication) be written on their behalf to the Chancellor drawing his attention to the dangers attendant on the policy of acquisition and control of

Overseas

N/E.

10.16
Ct 90.03.

16th September 1925

Overseas Banks by the leading Clearing Banks.

(2) The advisability of establishing an office combining intelligence and executive sections - to collect information and supervise transactions connected with the practice of co-operation with Central Banks. The administration of such office to be entrusted at the outset to men recruited from outside the Bank under whom members of the Bank's Staff would receive the training required for the efficient discharge of the work of such an office.

Present

The Governor
The Deputy Governor
Lord Curzon of Ashbourne
Sir Charles Addey
Mr. Whigham and
The Comptroller

Wednesday, the 23rd September, 1925.

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.

On an application from the widow of Warwick C. Pearn, a Pensioner, formerly a clerk in

the

23rd September 1925 The Accountant's Bank Note Office, it was agreed to grant her during pleasure an allowance of £50 a year in accordance with the scale.

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 mentioned the following matters to the Committee:—

(1) In February 1922 the Bank accepted a deed of transfer of 5% War Stock which had since proved to be a forgery; they had been requested to replace the stock and pay the dividends which would have accrued and this would be done. The Midland Bank, by whom the transfer was lodged, had been notified of the occurrence.

The incident had disclosed a defect in the Bank's system which had now been remedied.

CT95 704 (2) The National Bank of Switzerland and the Netherlands Bank had already adopted the Gold Standard instead of the Gold Exchange Standard and the Reichsbank and the National Bank of Hungary were now in process of acting similarly; it was probable that the National

Bank

23rd September 1925

Bank of Egypt would adopt the same course after the winter.

With reference to the suggestions submitted to the Committee by the Governor last week —

(1) It was agreed in principle to recommend that a formal letter be written on behalf of the Court to the Chancellor of the Exchequer directing his attention to the dangers attendant on the policy of acquisition and control of Overseas Banks by the Clearing Banks.

(2) It was further agreed in principle to establish an office to carry on the work connected with the practice of co-operation with Central Banks and that the names of men from outside the Bank who might be invited to administer the proposed sections of the office and to train members of the Bank's staff be considered at a subsequent meeting.

Present:

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Sir Robert Knickerley and
 The Comptroller

Wednesday, the 30th September, 1925.

The proceedings of the last Committee were read and agreed.

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

ET 99. It was agreed to recommend to the Court of Directors to-morrow that the rate of discount be reduced from $4\frac{1}{2}\%$ to 4% .

The Governor mentioned the following matters to the Committee—

(1) As an outcome of his recent visit to Belgium with Mr. Strong, M. Janssen, the Belgian Minister of Finance, and M. Hantain, the Governor of the National Bank of Belgium, proposed to pay a visit to the Bank next week.

ET 192. (2) With reference to previous Minutes, he outlined the general position and financial needs of Messrs Armstrong, Whitworth & Co. who had wisely decided to pay no interim dividends in respect of the current year except on the First Preference Shares.

The

30th September 1925

130

H. to
ET 90.03.

The Committee considered and subject to certain alterations approved a draft of the formal letter which they agreed last week to recommend should be written on behalf of the Court to the Chancellor of the Exchequer in regard to the acquisition and control of Overseas Banks by the Clearing Banks. In this connection the Governor mentioned that the Anglo-Egyptian Bank, the Colonial Bank and the National Bank of South Africa had been verbally requested to close their accounts and that no account would be opened in the name of Barclays Bank (Dominion, Colonial & Overseas).

With reference to the decision of last week, the Committee approved of the suggestion that the Governor should discuss the question with Sir Henry Strakosch and ascertain whether he would be free and willing to accept an appointment in connection with the practice of co-operation among Central Banks.

Present :—

A full Committee
and the Comptroller

Wednesday, the 7th October, 1925.

The proceedings of the last Committee were read and agreed.

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

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

With reference to previous Minutes, the Governor mentioned the following matters to the Committee, viz:—

(1) On the reduction in the Bank Rate last week the Clearing Bankers had again fixed their Deposit Rate at 2% below the Bank Rate; in this connection the Committee discussed the ultimate effect on the Discount Market of the above Deposit Rate and of the fixed rate for short money which was now regularly enforced by the Bankers.

(2) M. Janssen and M. Hautain had visited the Bank in connection with the proposal to stabilise the Belgian

Franc

7th October, 1925.

France on a gold basis: he mentioned the steps which it was hoped to adopt with the view of attaining this object and its great importance towards attaining stability through Europe.

(3) He had ascertained from Sir Henry Strakosch that if he had been free he would in principle gladly have accepted a whole-time appointment in connection with the practice of co-operation among Central Banks but that owing to his engagements he was not free to give his entire services to the Bank. He would be willing to act in an advisory capacity if required.

The name of Mr. Bank having been mentioned as a possible alternative, the Committee agreed that unless willing to become a British Subject he would not be eligible for consideration and the Governor undertook to ascertain whether Mr. Bank would consider changing his nationality.

Present :-

The Governor
The Deputy Governor
Lord Revelstoke
Mr Lubbock
Mr Wallace
Mr Whigham and
The Comptroller.

Wednesday, the 14th October, 1925.

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 following were submitted and referred to the Court —

Minute of the Staff Committee recommending appointments, &c.

Quarterly Report of the Staff Committee

Minutes of a Meeting of the Advisory Council of Directors and Staff.

It was agreed to recommend to the Court —

(1) That the name of Mr A. G. Gladstone be returned as a Commissioner on the part of the Bank for general purposes of the Income Tax Act in the City of London in the room of Sir Cosmo Bonser resigned.

(2) That a

14th October 1925.

(2) That a pension of £349:10:8 in accordance with the scale be granted during pleasure to Francis J. Green, a Cashier, as from the 13th January next when he will attain the age of 60 years.

A Special Appeal having been received from Mr J. Beaumont Pease, who is presiding at the Festival Dinner of the London Orphan School, Watford, on the 27th instant, it was agreed to contribute 100 guineas on the understanding that the Bank's name should not appear as such on Mr. Pease's list of donors.

With reference to last week's Minutes the Governor mentioned the following matters to the Committee—

(1) He had had a short interview with Mr Bark who had now gone away: Mr Bark appeared to be very unwilling to change his nationality but it was just possible that after further discussion he might consent to do so.

(2) Whereas it seemed possible a week

ago

14th October, 1925.

ago for a Belgian Loan to be arranged at once in New York and Europe, it was now certain that no long term loan could be arranged until after the ratification of Belgium's Debt Agreement with the United States and until the next Budget had been passed by the Belgian Parliament.

The Governor also acquainted the Committee of the following matters which had arisen since the last Meeting—

(1) The Advisory Committee of the Imperial Bank of India had been asked to recommend the names of duly qualified persons from outside the present Staff of that Bank as Candidates for the post of Managing Governor in India, and he proposed to recommend Mr Liepmann.

(2) He had had a friendly interview with the President of the Finlands Bank, which he believed to be well managed and in a strong position. This Bank have credits for about £1,500,000 in London and New York which

expire

^{14th} October, 1925 expire in February 1926 when they desire to renew a portion with the Bank; he proposed to inform them in January next that the Bank will open the desired credit for £600,000, any amount utilised to be covered as to one-third by gold and as to the balance by approved external or internal bills of exchange, the security to be lodged to the Bank's order with the British Minister or Consul in Helsinki.

10.15
CT 90.03

(3) He had refused a request of Mr. Goodenough that the Accounts of the recently amalgamated Banks might be kept open for a time. Mr. Goodenough had expressed surprise at the attitude of the Bank and explained that in his opinion it was not merely the right but the duty of the Clearing Banks to cater for the trade of the Empire by expanding overseas.

Present.

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Libbott
 Sir Robert Knickerley
 Mr. Wallace
 Mr. Whigham
 and
 The Comptroller

Wednesday, the 21st October, 1925.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, &c. 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 donation of £50 be made towards the costs of production of an Architectural History of the Bank by Mr. H. R. Steele.

With reference to previous minutes, the Governor informed the Committee -

(1) That Sir Henry Shakspeare is shortly going to India for some months and as Mr. Bank is also away he proposed to defer the question of an appointment in connection with Central Banking until after the return of Mr. Bank.

(2) That he had arranged for the Bank to join to the extent of £1,000,000 in a short term loan of about £5,000,000 to Belgium, in which America, Switzerland, Holland and possibly Sweden would also participate.

He

21st October 1925

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He also acquainted the Committee of the following matters which had arisen since the last Meeting -

(1) The Government of New Zealand had taken powers to open a Register in London at the Office of the High Commissioner or of the Bank of New Zealand. In view of the fact that only two years ago the Bank had agreed to make considerable reductions in their charges for management of Stocks for the Government of New Zealand, he had written at the request of the High Commissioner to beg that the powers be not put into effect.

(2) He proposed to join in an appeal which was about to be issued for subscriptions to a testimonial to Sir William Soulsby, who would shortly complete 50 years as Secretary at the Mansion House. The Committee agreed to recommend an appropriate subscription in due course.

A Memorandum on a private meeting of some Directors held on the 19th instant was laid before the Committee and consideration thereof was deferred till next week.

Present.

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Astibourne
 Mr. Lubbock
 Mr. Wallace
 Mr. Loughnam and
 The Comptroller

Wednesday, the 28th October, 1925.

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 Monthly Report of the Committee on Advances and Discounts was submitted and approved.

The following recommendations were made to the Court, viz.,

(1) That pensions be granted, during pleasure and in accordance with the scale to -

Ebenezer Noaks, Chief Clerk at the Bristol Branch, aged 63, £352 : 13 : 4 a year, as from the 4th December next, when he will have completed 41 years' service.

Arthur Arnold, a Gate Porter, £119 : 6 : 4 a year, as from the 31st October next, when he will attain the age of 65 years.

(2) That Mr. Sean, the Auditor, be appointed Auditor of the Bank Provident Society on behalf of the Court in the room of Mr. Lefaux.

(3) That

28th October 1925

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(3) That changes be made in the list of persons authorised to sign etc drafts upon the Government of India.

(4) That a Resolution be passed thanking Miss Harriet Worthington for her Gift to the Bank of a portrait of her Grandfather, James Worthington, formerly Principal of the Accountant's Discount Office.

The Governor then acquainted the Committee of the following matters, viz:-

(1) The Chancellor hopes that no loan will be floated on behalf of any country which has not settled its Inter-allied debts to this Country.

(2) After long discussions on the subject of the transfer of Bank Notes to the Currency Note Reserve Account the Chancellor has again refused his assent to the principle of making such transfers in order to prevent undue ease in market conditions when the Bank's Reserve is increased as a result of imports of Gold.

With reference to the Minutes of the 27th July 1921 and the 7th December 1921 the Committee agreed to continue the general policy then approved of holding long-dated Government Securities sufficient to yield annual interest approximately equal to the amount of the Bank's present dividend.

The

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EX 50.01

28th October 1925

The Committee agreed in principle that if it could be arranged it would be desirable, subject to the general assent of the Prime Minister, that a manifesto in support of the League of Nations should be issued by a few men of standing in trade and finance in European Countries, appealing for a removal of the tariffs which are hampering trade and retarding the return to stability.

With reference to last week's Minutes the Memorandum of a private Meeting of Directors held on the 19th instant was further discussed, and it was agreed that the Committee's opinion as to the selection of Governors for the ensuing year should be reported to the Directors after Court to-morrow. Following on this Mr. Whigham tendered his resignation from the Committee of Incasary and it was agreed to recommend to the Court that his resignation be accepted.

Mr Whigham was invited to attend the Meetings of the Committee until April next.

Present.

Wednesday, the 4th November, 1925.

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

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 Quarterly Report of the Staff Committee with "Overs and Shorts" and a Report of the Audit Committee on Audits taken by the Audit Department were submitted and referred to the Court.

It was agreed to recommend to the Court of Directors -

CT 5.

(1) That pending the establishment of a Central Bank a Drawing Account be opened in the name of the Oficina de Cambios del Paraguay.

(2) That a donation of £250 be made to the ^{Extension Fund of} the University of Leeds.

CT 70.01

It was also agreed to recommend that the Court of Directors approve of a proposal being submitted to the Court of Proprietors in September 1926 for an increase in the Annual Allowances of the Governors and Directors.

Wills

4th November 1925

With reference to previous minutes the Governor acquainted the Committee of the following matters -

(1) The Chancellor had told him that in the event of Gold imports he would prefer soon to transfer the Currency Note Issue to the Bank rather than assent to the principle of transferring Bank Notes to the Currency Note Reserve Account.

The Deputy Governor, however, informed the Committee that he considered it might be possible to take over the Issue earlier than the autumn of 1927, but owing to negotiations for providing new machines no definite date could be fixed for at least 6 months.

(2) That Mr. Siepmann is unable for domestic reasons to go to India and his name has therefore been withdrawn as a Candidate for the post of Managing Governor of the Imperial Bank of India.

The Committee agreed that a sum of £1,500 should be utilized at the discretion of the Governor for the advantage of Central Banking.

Present.

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashburnham
Mr Lubbock
Sir Charles Addis
Mr Wallace and
The Comptroller.
Mr Wigham attended
by invitation.

Wednesday, the 11th November, 1925.

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 following Minutes of the Staff Committee were submitted and referred to the Court, viz.,

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

It was agreed to make the following recommendations to the Court of Directors—

- (1) That Edward J.C. Wideman, a Cashier, be granted a pension, during pleasure and in accordance with the scale, of £416.13.4 a year as from the 17th November, when he attains the age of 65 years.
- (2) That Henry L. Colebrooke, a Pensioner, be allowed to commute £25 of his pension of £175 a year for an immediate payment of £212.11.6
- (3) That, as an exceptional case, a donation of £210 be granted to the Reedham Orphanage.

The

11th November 1925

The Committee considered the question of the selection of Governors for the ensuing year, and it was agreed to recommend to the Court of Directors that the Governor be invited to serve in his office for another year and that, as the Deputy Governor had intimated that it would be to his personal convenience to vacate the Deputy Governor's Chair at the conclusion of his present year of office, the usual procedure for the selection of a candidate for the Office of Deputy Governor be carried out, in accordance with the Regulations laid down by the Court on the 30th November 1848 and the 21st February 1918.

On an application from Miss Voigt, the widow of Henry S Voigt, a Pensioner formerly a Cashier, it was agreed to grant her, during pleasure, an allowance of £60 a year in accordance with the scale.

The Deputy Governor informed the Committee of a proposal to form a Sports Club for the Staffs of Banks in Manchester.

The Committee agreed in principle to contribute a sum towards the purchase of a ground, subject to satisfactory arrangements being made.

The Governor acquainted the Committee of the following matters which had been referred

11th November
1925

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referred to in previous minutes, viz.,

(1) He proposed instead of Mr. Siepmann to recommend Mr O. A. Smith, the London Manager of the Commonwealth Bank of Australia, as a candidate for the post of Managing Governor in India of the Imperial Bank of India.

(2) With reference to the sale to the Bank in May last of £1,000,000 Gold previously earmarked at the Bank for account of the Chilean Government it is possible that this amount of Gold may shortly be withdrawn for shipment to Chile.

(3) The Bank have been asked by the Government of New Zealand to inscribe in London for account of two Australian ^{Assurance} Companies £1,250,000 5½% New Zealand Government Stock maturing in 1951 recently issued in New Zealand. It is practically certain that no quotation for this Stock will be permitted on the London Stock Exchange and the High Commissioner is now enquiring whether these two Assurance Companies will still wish to inscribe the Stock in London. In regard to £1,000,000 of this Stock the interest and repayment of principal are to be payable in London, New York or Wellington at the option of the holder, New York payments being made at parity.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Assbourne
 Mr Trotter
 Mr Lubbock
 Sir Robert Kindersley
 Sir Charles Addis and
 The Comptroller
 Mr. Wingham attended by
 invitation.

Wednesday, the 18th November, 1925

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.

On an application from Mrs Helton,
 the widow of Henry Helton, a Pensioner, formerly
 Chief Clerk at the Newcastle Branch, it was
 agreed to grant her, during pleasure, an
 allowance of £60 a year in accordance with
 the scale.

The Deputy Governor reported that
 the City & South London Railway had paid in
 full a claim by the Bank for £567 as
 compensation for damage caused to the
 building by enlargement of their tunnels.

With reference to previous Minutes,
 the Deputy Governor acquainted the Committee
 of the following matters -

(1) Since the last Meeting he had
 interviewed the Chairman of Messrs. de la Rue's
 and

18th November 1925.

and of Waterbury's. The latter declined to enter into any arrangement with the former in order to obviate delay in construction of machinery ordered for the Bank: the Bank are taking no action except under legal advice.

(2) A difference of opinion has arisen as to the interpretation of the informal agreement which with the Bank's approval subsists between the three firms of Stockbrokers principally concerned with the issue of Trustee loans.

(3) The President of the Bank of Finland has agreed to the terms suggested for the proposed credit to be granted to that Bank by the Bank of England for one year from the 1st February 1926.

(4) Discussions have been taking place during the past week regarding the Belgian credit. A cable has been received from Mr Strong suggesting

(a). That the amount of the original credit should be doubled and that the credit should be transformed into a direct obligation of the Belgian Government, the National Bank of Belgium being released from liability.

(b) That a sum of \$10,000,000 should be placed at the disposal of the National Bank of Belgium by the purchase from them of prime Bank bills carrying their guarantee as to
payment

18th November 1925

payment and exchange, the Federal Reserve Bank to take one half the amount and the remainder to be shared between the Nederlandsche Bank, the National Bank of Switzerland and ourselves.

The Committee were opposed to the proposed transformation of the credit but approved in principle of the suggested purchase of bills, subject to the other Banks named being willing to co-operate.

Present

The Deputy Governor
Lord Reustokke
Lord Cullen of Aulborne
Mr. Ingham
Mr. Lubbock
Sir Robert Knidestey
Sir Charles Addis and
The Comptroller.
Mr. Whighams attended by
invitation.

Wednesday, the 25th November 1925.

The proceedings of the last Committee were read and agreed.

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

CT-99.

The Committee considered the question of the Bank Rate and decision was deferred until the following day. It was, however, generally agreed that if the New York Rate remained unchanged it might be possible to avoid raising the Bank Rate, but that if the New York Rate was raised the Committee would be compelled to recommend that the Bank Rate be raised to 5 per cent.

The

The Deputy Governor acquainted the Committee of the following matters which had arisen during the week -

(1) Meetings had been held at the Bank on the subject of the temporary credit to the National Bank of Belgium and the proposed long term loan, to which reference has been made in previous minutes.

No definite agreement had been reached but the European Bankers participating in the present temporary credit had cabled America that they believed they could arrange among themselves to double their credit provided the American Bankers would do the same, in the expressed belief that a long term loan would be issued early next year.

The American Bankers were not unwilling to increase their participation in the temporary credit, but they said that until the Belgian Parliament had passed measures to provide for a completely balanced Budget without the creation of new debt no long-term loan could be offered for subscription.

A cable had since been received from Mr. Strong confirming this view and making alternative suggestions.

The Committee were of opinion that Mr. Strong's suggestions would not be acceptable to the European Banks concerned and that he should be informed of this as soon as possible.

(2) That

25th November, 1925

(2) He had seen Dr. Meissner, who enquired whether it would be possible for Sanzig to place about £250,000 Ways & Means Treasury Bills in London.

(3) In the near future the Treasurer of the City of Hull will probably ask whether the Bank will consent to issue a loan for them and allow them to undertake the management of the Stock themselves.

(4) A letter had been received from the Chairman of Messrs Waterlow & Sons (i) offering to supply the Bank with the machinery they require or (ii) undertaking not to hinder or prevent the Bank from making use of any machinery they may purchase from Messrs De La Rue & Co. for the production of £1 and 10/- Notes and (iii) offering to make a favourable arrangement with the Bank if the decision of the Courts is in their favour and covers machines built for the Bank.

He had referred the letter to Sir William Leese for reply.

(5) He had received an application from Mr. Trotter for permission to join the Board of the Indian & General Investment Trust, which he proposed to refer to the Court.

The Monthly Report of the Committee on Advances and Discounts was

approved.

25th November
1925

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approved and a Minute of that Committee recommending the re-opening of a Discount Account etc. was submitted and referred to the Court.

The Committee then considered the following matters and agreed that -

(1) Consideration of a request for a donation towards the purchase of a portion of Ashridge Park for the public be deferred until next week.

(2) The Proprietors be not asked to consider an Address of Condolence to H. M. The King on the occasion of the death of the Queen Mother.

(3) A recommendation be made to the Court that Mr Spencer-Smith be added to the Committee for submission to the Committee of Treasury of the names of candidates for the Direction.

(4) Certain charts which are prepared by the Statistical Department of the Chief Cashier's Office be placed in the Committee Room to-morrow and that the Directors be invited to inspect them after Court.

Present.

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Trotter
 Mr. Lubbock CT 99.
 Sir Robert Kindersley
 and
 Sir Charles Addis
 Mr. Whigham also
 attended

Thursday, the 26th November, 1925.

The Deputy Governor informed the Committee that there was no fresh news from New York and as the New York Rate was not changed yesterday it was agreed to recommend that no change be made in the Bank Rate this week.

The Deputy Governor then acquainted the Committee as to the present position with regard to the Belgian Credit.

Present.

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

Wednesday, the 2nd December, 1925.

The proceedings of the Meetings of the 25th and 26th November were read and agreed.

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

Discussion took place as to the Bank Rate and the Committee agreed that, unless the New York situation altered in the meantime, it be recommended that the Rate be raised to 5 per cent.

CT 99.

2nd December 1925

It was agreed to recommend to the Court that a pension of £116 : 16 : - be granted during pleasure and in accordance with the scale to Henry Kirkham, an Engineer at St Luke's Printing Works.

The Committee again considered and agreed to decline a request from the National Trust for a donation towards the fund now being raised to acquire a portion of the Ashridge Park Estate.

The Deputy Governor outlined the main features of the new scheme of salaries proposed by the Special Committee on the Classification of the Staff and it was agreed to recommend to the Court that the proposals be accepted in principle and that the Special Committee be authorized to discuss the scale and the proposed methods of promotion with the Representatives of the Staff.

Present

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

Wednesday, the 9th December, 1925.

The proceedings of the last Committee were read and agreed.

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

The

9th December 1925

The Governor acquainted the Committee of the following matters which had arisen since the last Meeting viz:-

SEC. 10.
CT99.

(1) As to last week's change in the Bank Rate he had called at the Treasury late on the evening of Wednesday, the 2nd December, to leave word, as a matter of courtesy, for the Chancellor of a possible increase. About 11.20 a.m. on Thursday, the 3rd December, the Chancellor himself had telephoned protesting against the proposed increase and threatening to state in the House of Commons that such increase had been made without his having been consulted and against his wishes. Such action on the part of a Chancellor seemed to be without precedent.

(2) The further Credit to Belgium, which had been mentioned in previous Minutes, has now been arranged in the same Countries as before, and further the Bank have joined to the extent of \$2,000^m with the Federal Reserve Bank and the Central Banks of Holland and Switzerland in granting a re-discount Credit of \$10,000^m to the National Bank of Belgium.

(3) The

9th December 1925

(3) The Anglo-Austrian Bank are negotiating with others for an issue of Hungarian Land Mortgage Bonds.

(4) He has received an invitation to go personally, or to suggest someone to go, to Australia to advise the Governor of the Commonwealth Bank, who desires to develop that Bank on Central Banking lines, and he proposed to ask the Governor of the South African Reserve Bank to visit Australia.

A discussion took place on the possible issue of 91 day instead of 3 month Treasury Bills; on the need for a regular reduction in the total of Treasury Bills outstanding and on the present tendency to ignore, if not to increase, the floating debt.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Astibonane
 Mr Trotter
 Mr Kirkcaldy
 Sir Robert Lindsay
 Sir Charles Addis
 Mr Wallace and
 The Comptroller

Wednesday, the 16th December, 1925.

The Deputy Governor informed the Committee that Sir Gordon Navine had consented to help him during the absence of the Comptroller on a holiday. It was agreed that Sir Gordon Navine be invited to attend the Committee and he accordingly attended.

The proceedings of the last Committee were read and agreed.

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

A Report and Minute of the Staff Committee were submitted and referred to the Court.

It was agreed to recommend to the Court of Directors -

(a) That a pension of £116 a year, in accordance with the scale, be granted to Henry White, a Porter at the Western Branch, as from the 27th instant, when he will attain the age of 65 years

(b) That

16th December 1935

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(b) That the appointment of Dr A. J. Davies, the Medical Officer to the Bank, be continued from year to year, subject to six months' notice, with his present emoluments.

(c) That a donation of £1000 be granted to the Centenary Appeal of University College.

The Deputy Governor acquainted the Committee of the following matters, viz: -

(1) The Report of the Organisation Committee, which was appointed by the Court in April last, was now nearly ready, and he proposed in due course to submit it to the Court before asking approval of the new regulations.

(2) The Report by Messrs. Deloitte Plender Griffiths & Co. on the Bank's system of Auditing had now been received and he proposed to refer it to the Audit Committee.

(3) In pursuance of the policy of the Bank to regard the Printing Works at St Luke's as an entity distinct from the main business of the Bank, he recommended that the membership of the Committee should not be changed frequently and that in particular the Chairman should serve for a series of years.

He

16th December 1925

He proposed to suggest that Mr. Whitworth, who had been a member of the St. Luke's Committee since its formation should serve as Chairman.

(4) The draft agreement with Messrs. de la Rue & Co. Ltd. limits the use of the machines to be supplied by them, to which limitation there are obvious objections.

Messrs. de la Rue & Co. would probably consent to remove the proposed restrictions on the Bank's use of the machines, but Messrs. Waterlow's offer to allow the Bank to use machines supplied by Messrs. de la Rue & Co. is limited to the printing of Bank Notes. Sir William Leese is consulting Counsel on the whole position.

It was agreed that, in view of the great importance of equipping St. Luke's to print the enlarged issue of Bank Notes without delay, the Bank should order the machines from Messrs. de la Rue unless Counsel advised strongly to the contrary.

Present.

The Deputy Governor
 Lord Cullen of Ashbourne
 Mr. Ingham
 Mr. Lubbock
 Sir Robert Henderson
 Sir Charles Addis
 and
 Mr. Wallace
 Sir Gordon Harvie
 also attended.

Wednesday, the 25th December, 1925

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.

A Minute and Report of the Committee on St. Luke's were submitted and referred to the Court.

The Monthly Report of the Committee on Advances and Discounts was laid before the Committee.

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 grant a compassionate allowance of 10/- a week during pleasure

to

23rd December 1925

to Miss Kate Gough, daughter of the late C. W. Gough, a Pensioner and formerly a Sub-Cashier, until she becomes eligible for an Old Age Pension or is able to obtain admission to an Almshouse. To date from the 1st December.

CT 192
CT 19202

With reference to previous Minutes, the Deputy Governor outlined the present position of Messrs. Armstrong Whitworth & Co. Ltd; he considered that the time had now arrived when the Company should be asked to give the Bank a charge over £5,000,000 unissued Debenture Stocks of the Company as security for their debt to the Bank.

The Deputy Governor acquainted the Committee of the following matters -

(1) Mr. Clouston K.C. had been asked to give an opinion on the whole position relating to the De la Rue machines.

(2) He proposed that in future the half-yearly figures of "Costing" should be submitted to the Audit Committee.

CT 34

(3) He had seen the Chairman of the Greek Refugee Settlement Commission who stated that

the

23rd December 1925

the number of Refugees exceeds the original estimate by 200,000 and that a further loan will be necessary, but that the Greek Government are opposed to any further loan being subject to effective foreign control.

(4) Following on the recent rise in the Bank Rate new rates for Ways and Means Advances had been arranged with the Treasury.

(5) He reported the position with regard to Belgium.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Trotter
 Sir Robert Knidderley
 and
 Sir Charles Addison
 Sir Gordon Navine
 also attended.

Wednesday, the 30th December, 1925.

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 Minutes of the 28th
 July

30th December 1925

July 1920 and the 22nd April 1925 it was agreed that, the Silver Coin Reserve having now been reduced to a nominal figure, Silver Coin returning from circulation should be added to the Banking Reserve in order to raise the Silver Coin in that Reserve to about £2,000,000, and that concurrently the Gold Coin in the Banking Reserve should be gradually reduced to, say, £100,000/£200,000.

CT. 192
ET 19202

With reference to last week's Minutes the Deputy Governor reported that the Resolution had been passed creating £1,000,000 Prior Lien Securities of the Newfoundland Power & Paper Company as security for advances by the Bank since the 1st October last.

The Deputy Governor reported the present position in regard to Belgium.

The Committee were generally in agreement with a proposal of the Deputy Governor to hold an informal Meeting once a week of the Officials and Principals of Offices.

Present

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Trotter
 Mr. Lubbock
 Sir Robert Hindleley
 Sir Charles Adie
 and Mr. Wallace
 Mr. Whigham and
 Sir Gordon Murray
 attended by invitation.

Wednesday, the 6th January, 1926

The Minutes 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.

Tab
 ex. 71.

The Deputy Governor reported that, in the absence of the Governor, he had thought it well to abstain from signing, in his official capacity, the appeal which was about to be issued for subscriptions to a National Memorial to Queen Alexandra.

With reference to previous Minutes the Deputy Governor mentioned -

(1) That it was proposed to suggest to the Corporation of Hull a reduction from £500 to £400 per million for the management of all future issues of their Stock. The Committee considered that in all the circumstances some further reduction could be made and left the matter with the Deputy Governor to arrange.

(2) The

6th January, 1926

CT. 192.

(2) The Directors of Messrs Armstrong Whitworth & Co. Ltd. had agreed to give the security required by the Bank.

In this connection the Deputy Governor mentioned that Messrs. Armstrong had decided to open a separate Banking account for and to restrict the activities of their Civil Engineering Department, whose contracts nearing completion showed serious losses.

(3) The Representatives of the Staff had met the Special Committee on Classification and had raised various points which were under consideration.

It was agreed that a Committee, to be selected by the Deputy Governor, should be appointed to consider information and Charts prepared by the Statistical Section of the Chief Cashier's Office.

The Deputy Governor acquainted the Committee of the following matters which had arisen since the last Meeting—

CT 6

(1) The President of the Bank Polski wished to increase the capital of that Bank with foreign capital. The Polish Government had invited

6th January 1926

invited the Bank of England, possibly in conjunction with the Federal Reserve Bank, to send a representative to advise them. After consulting the Governor he had suggested to the Bank Polski that a visit by a representative of the Bank of England would be premature at present.

(2) He had learnt from Dr. Meissner, the President of the Bank of Danzig, that negotiations were in progress for a Farmers' Loan to be issued in dollars in New York on the security of land mortgages, the principal and interest being guaranteed by the Senate. Dr. Meissner thought it inadvisable to borrow in dollars under guarantee of the Senate. He proposed to reply that the Bank agreed in general with Dr. Meissner's objections but were without the full information necessary before they could give specific advice.

Present

The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr Trotter
Mr Lubbock
Sir Robert Henderson
Sir Charles Adair and
Mr Wallace
Mr Whigham and Sir
Gordon Hume attended
by invitation.

Wednesday, the 13th January, 1926.

The Minutes of the last Committee were read and agreed.

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

13th January 1926

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

The Committee dealt with the undermentioned matters arising from the Minutes of the previous Meeting -

(1) The Deputy Governor reported that the Corporation of Hull had accepted the Bank's offer of a reduced charge of £300 per million for the management of future issues of their Stock.

(2) It was agreed to recommend that the Committee to consider Statistics prepared by the Chief Cashier's Office consist of -

The Deputy Governor
Mr. Lubbock
Mr. Booth
Sir Charles Addis.

The Deputy Governor acquainted the Committee of the following matters -

(1) He had suspended William H. Paddock, a House Porter, who was suspected of the theft of letters containing Currency Notes and the Committee were of opinion that the Bank should prosecute if Messrs. Freshfields considered it advisable.

13th January, 1926H.C.
N/E. C.H.

(2) Notwithstanding the Governor's suggestion in February last that the Government of Queensland should give certain financial information and statistics in the prospectuses of their future issues, the prospectus of their recent issue contained no such particulars; he therefore proposed to repeat to the Agent General the necessity of adopting this course in future.

(3) The situation in Belgium was improving. Since the middle of December they had not only maintained their exchange but had repurchased some £9,000,000 of valuta and had repaid over \$1,000,000 of their temporary credit.

C.B.

(4) The Polish Exchange showed improvement.

Present

The Deputy Governor
Lord Revelstoke
Lord Cullen of Rosburne
Mr. Trotter
Mr. Lubbock
Sir Robert Henderson
Sir Charles Addison
Mr. Wallace
and
The Comptroller
Mr. Wingham and Sir
Gordon Hume also
attended.

Wednesday, the 20th January, 1926.

The Minutes of the last Committee were read and agreed.

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

It was agreed that no alteration be ^{recommended} ~~made~~ in the Bank Rate.

A Report

20th January 1926

A Report and Minute of the Staff Committee were submitted and referred to the Comt.

+00
Estab.

It was agreed to grant the widow of William Jakemach, a Pensioner, and formerly a Cashier, an allowance of £60 a year, during pleasure, in accordance with the scale.

The Committee considered the case of Wesley Fletcher, a 4th Class Clerk in the Accountant's Department, who has been absent on sick leave for 10 months and is not expected to be able to resume work for a year or more, and it was agreed to recommend that Fletcher be asked to resign and be granted a sum of £150.

The Deputy Governor brought forward the following matters which had been referred to in previous Minutes -

(1) He had written to the Agent General for Queensland in the sense approved last week.

(2) The National Bank of Belgium had again borrowed under their temporary credit rather more than the amount previously repaid.

(3)

20th January 1926

(3) In the matter of the Bank's purchase of machines for printing £1 and 10^s Notes Counsel had advised that the Bank were legally free to buy these machines from Messrs de la Rue & Co. but had suggested the terms of a letter to be written by the Bank to Messrs. Waterlows to clear up the position. Before taking any action he was discussing certain points further with Sir William Leese.

CT 192

(4) In reply to a request by Messrs. Armstrong, Whitworth & Co. Ltd. for a proportionate release of security if their indebtedness to the Bank on all accounts should be reduced below, say, £2,000,000, he had agreed that in the event of a large reduction of the debt and possible liability on the guarantees the Bank would be prepared to consider a fair arrangement for a release of some part of the security.

10th
CT 98.

(5) Colonel Portal had suggested that in addition to the rent for the Bank's share of Overton Mill Messrs. Portal might be allowed to repay gradually the capital amount and thus regain control of the Mill. He proposed to refer this matter to the Governor on his return.

(b) William H. Paddock, a House Porter, suspected of stealing letters containing Currency

Notes.

20th January 1926

Notes, had been arrested and remanded on bail.

Handwritten:
H. G. 7
N/E. CT. 1.

He reported an interview with Mr. Jameson, a Director of the Bank of Ireland, who will probably be appointed Chairman of a Commission to enquire into the Irish Banking and Bank Note issuing systems.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Lubbock
Sir Charles Addis
Mr. Wallace and
The Comptroller.
Mr. Whigham attended by invitation.

Wednesday, the 27th January, 1926.

The Minutes 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} ~~made~~ in the Bank Rate.

A Report of the Audit Committee on Audits taken by the Audit Department was submitted and referred to the Court.

27th January, 1926

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 March, and that a General Court for the election of a Governor and Deputy Governor and for the election of Directors be appointed for Tuesday, the 6th April, and Wednesday, the 7th April, respectively.

It was agreed that an expert be invited to inspect the Title Deeds of the Bank with a view to their transcription and preservation.

The Governor acquainted the Committee of the following matters -

(1) He had received an application from Mr. Whitworth for permission to join the London Board of the London & Liverpool & Globe Insurance Co Ltd. which he proposed to refer to the Court.

(2) Because of the attitude Greece had adopted towards the League of Nations and the International Financial Commission it had been for a year or so the policy of the Treasury and of the Bank to prevent her from obtaining credit here or elsewhere; at his request America had

recently

~~10 to~~
et. 34

27th January 1926

recently agreed to pursue the same policy. He had now learnt that the Treasury had undertaken to give a guarantee under the Trades Facilities Act for an issue of Stock by an Electric Company in Athens. This action entirely nullified recent policy but he feared it was too late to take any effective steps.

The Deputy Governor reported the position of the following matters which had been previously before the Committee -

(1) The Audit Committee had adopted most of the recommendations in the Report of Messrs Deloitte and he had arranged to discuss with Sir William Plender the certification of the Bank's accounts.

CT 50-08.

(2) On the subject of purchase of machinery for £1 and 10/- Notes the Chairman of the St Luke's Committee had arranged for Sir William Leese to write to Messrs Waterlows on the lines suggested by Counsel.

(3) After consultation with the Governor he had informed Col Portal that in any case it would not suit the Bank to vary the arrangements in respect of Overton Mill, on which no interest had been paid, before the Bank had

CT 98

27th January 1926

had taken over the issue of £1 and 10/- notes.

(4) The Actuary had supplied him with figures showing the future cost of pensions: this involved a heavy liability for which he suggested it might suit the Bank to make specific provision. He had asked Sir William Leese to report fully.

(5) The Governor had agreed ^{generally} that certain proposals should be submitted to the Organisation Committee concerning the scope and arrangement of the Secretary's Department.

(6) Messrs. Armstrong, Whitworth & Co. Ltd. had now arranged to give the Bank the following security -

£1,000,000 2nd Mortgage Debenture Stock
£2,000,000 Consolidated Mortgage Debenture Stock.

(7) Paddock, the House Porter who had been arrested on a charge of stealing Currency Notes, had pleaded guilty and had been remanded for a further week in custody.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Trotter
 Mr. Lubbock
 Sir Charles Addis and
 Mr. Wallace
 Mr. Whigham attended
 by invitation.

Wednesday, the 3rd February, 1926.

The Minutes 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 that the rate of interest to be allowed by the Bank to the Bank Provident Society on Deposits by Members be continued for the ensuing year at the present rate of $3\frac{1}{2}\%$ per annum free of Income Tax.

et 50-08. A Minute of the Audit Committee recommending that Messrs. Deloitte & Co. be requested to certify the Bank's Balance Sheet half-yearly was submitted and referred to the Court, together with the Quarterly Report of the Staff Committee with "Overs and Shorts."

The Deputy Governor informed the Committee that William H. Paddock, a House Porter, whose suspension was reported on the 13th January

3rd February 1926

January, had now been convicted of the theft of letters containing Currency Notes and that he had accordingly dismissed him from the service of the Bank.

~~10.55~~
cf 118.

With reference to the Minutes of the 1st April 1925 the question of the Bank continuing to guarantee Commercial Bills held for Central Banks was discussed and decision deferred.

The Governor acquainted the Committee of the following matters, viz -

(1) Settlements of Inter-Allied debts hitherto made or discussed had assumed that the conditions laid down in the Balfour Note should be the measure of what this Country would receive, but on the basis of the settlement with Italy (which was in the aggregate less than she was prepared to pay) we should pay America hereafter more than we should receive.

~~10.21~~
cf 177

(2) As announced in the King's Speech the Government intended to provide better credit facilities for Farmers, and for this purpose a Bank or Mortgage Company would have to be set up by the Bankers or by the State. The Bankers were discussing the matter and if, as he hoped, they agreed to form such a Company, he thought the Bank should subscribe.

(3)

3rd February 1926

(3) The Members of the Indian Currency Commission had now arrived in London and would shortly be taking evidence. He had been invited to appear before them and proposed to do so; he would inform the Committee of his evidence.

With reference to Minutes of March 1924 and later as to amalgamation of the Currency and Bank Note Issues, it was probable that a Government Committee would be set up to consider (a) the terms on which the Currency Note Issue should be taken over and (b) any necessary revisions in the Bank Act; he thought the Bank should be prepared with recommendations and he proposed to bring the matter up again at the next meeting.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Trotter
Mr. Lubbock
Sir Charles Addis
Mr. Wallace and
the Comptroller.

Mr. Wingham attended
by invitation.

Wednesday, the 10th February, 1926

The Minutes of the last Committee were read and agreed as amended.

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

10th February 1926

178

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

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

A draft of the report of the Classification Committee was laid before the Committee and referred to the Court.

It was agreed to recommend ~~to~~ recommend to the Court that, following on the introduction of the new Scheme of Salaries, the last monthly payment of sliding scale bonus be made to the Clerical Staff on the 15th March next.

10-12
National
Records
Index
Office File

The Deputy Governor informed the Committee that the Minister of Transport had recently received a deputation from the City of London on the subject of the widening of Princes Street and had referred the matter to the Advisory Committee on London Traffic. The Rebuilding Committee proposed to take no action.

The Committee then discussed

the

10th February 1926

the following matters which were before the Committee at their previous meeting—

(1) Amalgamation of Note Issues. It was agreed that this Committee should consider the policy to be adopted and the recommendations to be made by the Bank to any Government Committee which might be set up.

(2) Guarantee by the Bank of Bills of Exchange bought and held for Central Banks and volume of such bills was discussed and again deferred.

The question of setting aside a premium half-yearly to cover the Bank's contingent liability in respect of Bills of Exchange held for Central Banks was considered, and decision was deferred.

+055

CT 118

Present.

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Aulborne
 Mr. Ingham
 Mr. Lubbock
 Sir Robert Henderson
 Sir Charles Addison
 Mr. Wallace and
 the Comptroller.
 Mr. Whigham attended by
 invitation.

Wednesday, the 17th February, 1926.

The Minutes of the last Committee were read and agreed.

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

St

17th February 1926

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

A Minute of the Staff Committee on the Annual Reports on the clerical Staff etc. was submitted and referred to the Court.

The Deputy Governor laid before the Committee a letter from the National Institute of Industrial Psychology. It was agreed that the Institute be asked to investigate and report upon the existing condition of work in the Accountant's Bank Note Office and at St. Luke's Printing Works at a fee of 125 guineas a month for 3 months.

Present

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

Wednesday, the 24th February, 1926.

The Minutes 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.

24th February 1926

The following were submitted and referred to the Court, vizt.,

(1) Minute of the Staff Committee recommending appointments etc.

(2) Recommendations of the Staff Committee for "personal" salary

(3) Report of the Staff Committee recommending the election of 15 Probationary Clerks to the Permanent Staff.

(4) Report of the Committee on St. Luke's on the Annual Reports on the Clerical Staff at St. Luke's Printing Works.

It was agreed to recommend to the Court of Directors that Dorothy A. Stanford, a Woman Clerk who had tendered her resignation on account of ill-health, be granted a pension equal to full salary for three months from the 1st March and thereafter, during pleasure, of £47 : 6 : - a year in accordance with the scale.

It was agreed to renew the following Charitable Subscriptions for the current year, vizt.,

City of London Truss Society	£10 : 10 : -
Royal National Lifeboat Institution	£21 : - : -
Royal Surgical Aid Society	£10 : 10 : -
King Edward's Hospital Fund for London	£250 : - : -

Queen

24th February
1936

Queen Victoria's Jubilee Institute for Nurses	£10 : 10 : -
City of London Maternity Hospital	£10 : 10 : -
Elizabeth Garrett Andersen 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, Lothbury)	£50 : - : -
Bank Clerks Orphanage	£105 : - : -

It was agreed to add to this list
the Bankers Beneficent Society, annual subscription
£100

~~100~~
N/E

It was agreed to recommend a
donation of £250 to the Queen Alexandra National
Memorial Fund for the assistance of Queen Victoria's
Jubilee Institute for Nurses.

With reference to Minutes of the 1st
April 1925 it was noted that the proportion of
Treasury Bills and Bills of Exchange held as
investments for Customer's Money would be varied
as occasion might arise.

~~1055~~
CT. 118

The question of the Bank's guarantee
of Bills of Exchange held for Central Banks was
again discussed and decision deferred.

The

24th February 1926

The Governor informed the Committee that the estimated profits for the Half-Year ending the 28th February 1926, after providing for a dividend of 6% less Income Tax amounted to £2,490,000; it was proposed to deal with this surplus as follows:-

In writing down Securities	£176,995
In writing off amounts expended during the Half-Year in respect of St. Luke's Printing Works, etc.	56,441
Provision for Income Tax	750,000
Dollar Investments Reserve Account	1,506,564
	<u>£2,490,000</u>

It was also proposed to transfer £2,293,436 from Suspense Account No. 1. to Dollar Investments Reserve Account.

CT.192.
CT.192.02 With reference to previous Minutes, the Governor proposed that the rates to be charged from 1st March 1926 on advances made to Messrs. Armstrong Whitworth & Co. should be -

On the first £2,000,000	at Bank Rate varying
On any amount in excess of £2,000,000	at 1 per cent above Bank Rate varying, with a minimum of 5 per cent.

and that the rates to be charged on advances to the Newfoundland Power & Paper Co. Ltd. under Armstrong Whitworth & Co's guarantee should be

From

24th February
1926

From 1st October 1925
against Prior Lien Bonds
From date of advance
against "Utilities" 1st
Mort. Secs.

at 1 per cent above Bank
Rate varying, with a
minimum of 5 per cent.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Astheno
Mr. Lubbock
Mr. Wallace
and
The Comptroller
Mr. Whigham
attended by invitation.

Wednesday, the 3rd March, 1926

The Minutes 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 Monthly Report of the Committee on Advances and Discounts was laid before the Committee.

The Monthly Report of the Committee on Advances and Discounts recommending the opening of a Discount Account was submitted and referred to the Court.

It was agreed to recommend that Harry Wesley, a 1st Class Clerk in the Bill Office, be allowed to retire as from the 31st May next and that he be granted during pleasure and according to the scale a pension of £446.13.4 a year from the 1st June inclusive.

With

3rd March 1926~~HA 17~~
Office File

With reference to a Minute of the 13th February 1924 authorising an arrangement whereby, in consideration of certain payments, Mr. Bark agreed to undertake no work for five years without the sanction of the Bank, the Committee agreed in view of Mr. Bark's services and special needs to add to payments already made or promised a further sum of £1500 a year for each of the four years 1925/8.

~~HA~~
N/E

With reference to Minutes of the 23rd September 1925 and later as to the appointment of men from outside the Bank to superintend Central Banking work, the Governor informed the Committee that, of the persons suggested, Mr. Bark seemed unwilling to change his nationality and was invaluable in his present position with the Anglo Austrian Bank. Mr. Layton's abilities were mainly theoretical and Sir A. Salter could not be available for two or three years. The Committee agreed—

(1) That the Governor should be free to invite Mr. Siepmann, who was not only a linguist but had already had practical experience and who would, moreover, be free in July, to undertake the work relating especially to Eastern Europe.

2nd March 1926

(2) That it was necessary to find suitable persons to superintend the work for Western Europe and for the Dominions and elsewhere.

(3) That of the persons originally mentioned Sir Henry Shattuck and Sir O.S. Niemeyer might still be considered.

The Governor acquainted the Committee that he hoped, if necessary, to secure the co-operation of other Central Banks in a continuation and augmentation of the present credit to the National Bank of Belgium; he proposed that the Bank should join in any such credit to an amount not exceeding £5,000,000.

The Deputy Governor informed the Committee that he proposed to lay before the Court a Minute of the Committee on Internal Administration recommending the adoption of revised Regulations for Advances etc.

Present

The Governor
 The Deputy Governor
 Lord Revelstoke
 Mr. Lubbock
 Sir Charles Adie
 Mr. Wallace
 and
 The Comptroller.
 Mr. Wigham attended on
 invitation.

Wednesday, the 10th March, 1926.

The minutes of the last Committee were read and agreed.

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

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

It was agreed to recommend that Harold C. Newle, a Cashier, be allowed to retire on the 5th June next and that he be granted thereafter, during pleasure and according to the scale a pension of £600 a year.

The Reports of Messrs. Deloitte, Plender, Griffiths & Co. on the accounts of St Luke's Printing Works and of the Works Department for the half year ended the 31st December last were submitted and referred to the Court.

The Chief Accountant attended the Committee and produced the accounts of the Bank for the half year ended 28th February. It was agreed to recommend to the Court that a half year's dividend of interest and profits be made on the 6th April next of 6 per cent less Income Tax.

The

10th March 1926

The Governor acquainted the Committee of the following matters -

1011
CT 90.03
CT 117

With reference to a minute of the 30th September last and to the letter addressed by the Court to the Chancellor on the 8th October last, the separate accounts of the three component Banks of Barclays Bank (Dominion Colonial and Overseas) having now been closed, the Committee agreed that the latter should neither be an "approved" name nor be permitted to open an account here.

1021
CT 177

With reference to a Minute of the 3rd February 1926 the Bankers have prepared a statement on the Government Agricultural Credit Proposals. They doubt whether these proposals will appeal to the agriculturalists, but if the Government consider that their scheme will benefit the industry, the Bankers are prepared to assist in the formation of a long term Land Mortgage Company and in the provision of the necessary capital.

He had recently interviewed Mr. Siepmann and Mr. Kay, the Advisers of the National Banks of Hungary and Austria respectively. Relations with the National Bank of Hungary are good and an improvement is taking place in the attitude of the National Bank of Austria which justifies closer relations. He had promised if the need arose in either Bank to grant temporary credits subject to the provision of adequate security.

The

10th March 1926

The Governor promised to make enquiries as to the method to be adopted for giving effect to a proposal to advance £200,000 on easy terms to the Civil Service Sports Council which was approved in principle.

Present.

The Deputy Governor
 Lord Revelstoke
 Lord Cullen of Ashbourne
 Mr. Lubbock
 Sir Charles Addey
 Mr. Wallace and
 The Comptroller.
 Mr. Whigham attended
 by invitation.

Wednesday, the 17th March, 1926.

The Minutes 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.

A Minute of the Staff Committee recommending appointments etc. was submitted and referred to the Court.

It was agreed to recommend to the Court that George I. Stewart, Messenger to the Sub-Treasury, be granted a pension of £129:1:8, during pleasure and in accordance with the scale, from the 26th March inclusive, when he will attain the age of 65 years.

17th March 192612.1
N/E

It was agreed to grant the usual scale allowance of £18 a year to the widow of William Hale, a Pensioner, formerly a Bank Note Stamper.

With reference to previous Minutes, the Deputy Governor informed the Committee -

(1) That Messrs Waterlow had applied for an interim injunction to restrain Messrs. de la Rue from using, selling or otherwise disposing of any direct plate printing machines manufactured by or for them since the year 1922.

(2) That the Deputy Chief Accountant and the Deputy Principal of the Discount Office had been instructed to consider the question of the amalgamation of Currency and Bank Note issues and report in due course.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr. Wallace and
The Comptroller.
Mr. Whigham attended
by invitation.

Wednesday, the 24th March, 1926.

The Minutes of the last Committee were read and agreed.

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

24th March 1926

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

The following were submitted and referred to the Court, viz.

Letter from the Chancellor of the Exchequer applying for Advances during the ensuing Quarter

House List of Governors and Directors for the year ensuing.

Proposals for voting for Members of the Committee of Treasury.

The Governor gave reasons for much concern regarding the position created by the heavy commitments by the Exchequer in the near future for capital under sundry definite headings in addition to maturities of short-term loans, and deprecated the more the Chancellor's action in applying the balance of the Sinking Fund otherwise than in support of the Market.

The Deputy Governor reported -

(1) The termination of the Wilson case: judgment reserved.

(2) Proposed office changes consequent on the rebuilding.

et-76

Present

The Deputy Governor
 Lord Cullen of Ashbourne
 Mr. Trotter
 Mr. Lambrock
 Sir Charles Adie
 Mr. Wallace and
 The Comptroller

Wednesday, the 31st March, 1926.

The Minutes of the last Meeting were read and confirmed.

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 following were submitted and referred to the Court -

Minute of the Staff Committee and Minute of the Committee on St Luke's each recommending an appointment.

Minute of the Committee on St Luke's recommending consolidation of the existing War Bonus paid to the Mechanic Staff at St Luke's etc.

It was agreed to recommend to the Court that a pension of £162:13:- a year be granted during pleasure and in accordance with the scale to John Netherclift, a Gate Porter, as from the 4th April next, when he will attain the age of 65 years.

An application for a donation to the funds of the Royal Alfred Aged Merchant Seamen's Institution was considered and decision deferred.

The

31st March 1926

The Deputy Governor reported that Messrs Waterlows had failed to obtain an injunction to restrain Messrs de la Rue from selling Plate Printing Machines to the Bank.

It was agreed to refer to the Court proposals to enlarge Section 1a of the rebuilding in order to accelerate operations, together with a memorandum suggesting adjustments of office accommodation.

Present.

The Governor
The Deputy Governor
Mr. Lubbock
Sir Charles Addis
Mr. Wallace
The Comptroller
Mr. Wingham attended
by invitation.

Wednesday, the 7th April, 1926.

The Minutes of the last Meeting were read and confirmed.

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 report to the Court regarding -

The Credit granted to the National Bank of Belgium.

CT. 192

Messrs. Armstrong Whitworth & Co's Account.
The proposed appointment of Mr. Siepmann.

The

7th April 1926

194

The Committee again considered and agreed to decline a request for a donation to the Funds of the Royal Alfred Aged Merchant Seamen's Institution.

With reference to previous Minutes the Governor informed the Committee -

1. That he and Sir Charles Addis had appeared before the Indian Currency Commission and would be attending again later.

2. That, subject to approval in India, the London Advisory Committee and the Directors of the Imperial Bank of India who happened to be in London recommended Mr. O. A. Smith, the London Manager of the Commonwealth Bank of Australia, as Managing Governor in India.

The Governor acquainted the Committee of the following matters which had arisen since the last meeting -

12.18
CT. 23.

1. He had reason to believe that Brazil was now considering proposals to set up again a Conversion Office, to issue a loan here and in America and to withdraw the proceeds in gold. As he considered the present time to be unsuitable he would, if occasion offered, discourage these proposals.

2. He

7th April 1926

N/E

CT 33

H. 25

2. He had received a draft of the Report of a Financial Sub-Committee of the Economic Council appointed by the Egyptian Government with recommendations as to the monetary system of Egypt.

The question of the Bank's guarantee of Bills of Exchange held for Central Banks was again discussed.

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Cullen of Ashbourne
Mr Lubbock
Sir Charles Addis
Mr Wallace and the
Comptroller.
Mr Wingham attended
by invitation.

Wednesday, the 14th April 1926

The minutes of the last Meeting were read and confirmed.

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

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

It was agreed to recommend to the Court that the following pensions be granted, during pleasure and in accordance with the scale, vizt.,

Joë Dorothea George, a Woman Clerk, £231 a year as from the 21st April, when she will attain the age of 50 years.

Albert

14th April 1926

196

Albert Henry Loft, a Cashier, £600 a year as from the 25th April, when he will attain the age of 65 years.

A Minute of the Committee on St Luke's recommending that an Annuity be granted to A. R. Watkins, a Clerk on the Mechanic Staff at St Luke's Printing Works, was submitted and referred to the Court.

The Deputy Governor reported -

That a letter had been received from the London & Home Counties Traffic Advisory Committee suggesting a meeting of members of that Committee with representatives of the City Corporation and of the Bank to discuss the possibility of widening Finsbury Street.

That it was proposed to appoint W. S. Hyett, of the Power of Attorney Office, as General Welfare Organiser in succession to E. J. Reynolds.

The Governor informed the Committee that he had consulted with the Irish Currency Committee at the Treasury.

With reference to Minute of the 1st April, 1925, accepting the general principle that Bills of Exchange may be held in addition to, or in lieu of, Treasury Bills, as security, investment, or guarantee:

The Committee

N/E
CT 1.

107

14th April 1926

The Committee recognised the advantage to be derived from the concentration of the assets of Central Banks with the Bank of England, which they regarded as an integral part of the policy of co-operation arising out of the Genoa Resolutions.

The Committee were of opinion that the policy of guaranteeing Bills of Exchange by the Bank of England while justified as a temporary and emergency measure should not be recognised as part of the permanent practice of the Bank. It was considered desirable that guarantees already entered into, except perhaps in the exceptional case of the Federal Reserve Bank, should be determined either in connection with arrangements for the respective free balances and gold holdings of Central Banks, or at some other convenient time.

~~1055~~
CT 118

Present

The Governor
The Deputy Governor
Lord Revelstoke
Lord Siller of Ashbourne
Mr. Lubbock
Sir Charles Addis
Mr. Wallace
The Comptroller

Wednesday, the 21st April, 1926.

The Minutes of the last Meeting were read and confirmed.

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

21st April 1926H. A. 19
Establs.

It was agreed to grant an allowance of £60 a year, during pleasure and in accordance with the scale, to the widow of Arthur Richardson, a Pensioner, formerly a Cashier.

It was agreed to recommend to the Court that the following pensions be granted during pleasure and in accordance with the scale, viz: -

Charles Bailey, a Foreman at St Luke's Printing Works, £274 : 11 : 4 a year as from the 1st May.

J. M. Blythe, a Printer of Bank Notes, £143 : 10 : 8 a year as from the 15th May.

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

A Minute of the Committee on Advances and Discounts on the question of commercial bills bearing a Broker's endorsement as the second name, with particular reference to the endorsement of Messrs. Cater & Co Ltd. was considered: it was agreed that in order to comply with the Regulations each Discount House should be rated as a second name and that where necessary the present amounts should be reduced.

The following suggestions by the Deputy Principal of the Discount Office as to the lines on which he should commence his consideration of the question of amalgamation of the Currency and Bank Note Issues were approved in principle -

That

21st April 1926

That the following points might be provisionally eliminated as basic—

1. That the Note Issue in England and Wales shall be entirely in the hands of the Bank of England.
2. That all the Notes shall be a direct obligation of the Bank of England.
3. That there shall be Bank of England Notes for £1 and 10/- in addition to those of existing denominations.
4. That the suspension of the issue of gold coin as provided by the Gold Standard Act 1925 shall be maintained after the Currency Note Issue has been taken over by the Bank, at least until such time as it is considered safe to revert to gold for internal circulation.
5. That Bank of England Notes shall be legal tender for any amount in England and Wales.
6. That the principle of the Bank Charter Act of 1844 relating to the separation of the Issue and Banking Departments shall be maintained.

and that he should commence by examining the points arising under the following headings—

A. Fiduciary Issue

- (a) Fixed or fluctuating.
- (b) Amount
- (c) Nature of Securities to be held.
- (d) Provision for excess issues.

B. Metallic Cover

- (a) Nature
- (b) Location
- (c) Additional reserves.

C. Position of the Bank's Branches.

D. Provisions

21st April 1926

200

- D. Provisions for Scotland and Ireland.
- E. Date for making the change.
- F. Method of effecting the transfer.
- G. Management of Issue.
 - (a) Terms
 - (b) Machinery.

With reference to last week's Minutes, the draft of a reply to the London and Home Counties Traffic Advisory Committee as to the widening of Princes Street was approved. It was agreed that the letter be submitted to the Court.

The Deputy Governor reported the receipt of a request from Sir Henry Shaksch that one of the Secretaries of the Indian Currency Commission who is an Official of the Indian Treasury might be allowed before returning to India to spend some time at the Bank studying Central Bank methods. It was agreed that such facilities should only be accorded to him if he were about to become a permanent Official of the Imperial Bank of India.

The Governor acquainted the Committee of the following matters -

1. As regards the setting up of a London Committee for

(a) The South African Reserve Bank

he had recommended

Sir Henry Shaksch
The Governor, Bank of
England

(b) The Commonwealth Bank of Australia

he proposed to recommend

Lord Bradbury
Sir Henry Shaksch
The Governor, Bank of
England,

but

21st April 1926

but a difficulty arises by reason of a provision in the Constitution of the Commonwealth Bank under which any Banker, and any Director or Official of a Bank, is ineligible for such appointment.

(2) On the strong recommendation of the Chairman of the Anglo-Austrian Bank, Mr. Bank, and their colleague Mr. Spencer-Smith - in whose opinion the only alternative might turn out to be liquidation - he had agreed to assist negotiations on the following lines between the Anglo-Austrian Bank and the British Trade Corporation.

(a) The Anglo-Austrian Bank to purchase control of the British Trade Corporation: for this purpose an advance will be required.

(b) The Anglo-Austrian Bank to sell to an Austrian Bank the whole of its Austrian property and undertaking - probably for shares expressed in schillings.

(c) The Anglo-Austrian Bank to be sold to the British Trade Corporation by means of an exchange of shares.

(d) The Certificates of the Anglo-Austrian Bank to be extinguished as a part of the above transaction.

(e) The British Trade Corporation to increase its Capital.

