

COMMITTEE OF TREASURY

MINUTE BOOK

51



Present

The Governor  
 The Deputy Governor  
 Lord Rieuwlandt  
 Lord Kellin of Ashbourne  
 Mr Trotter  
 Sir Alan Anderson  
 Sir Charles Addis and  
 Mr Whitworth  
 The Comptroller also attended.

Wednesday the 15<sup>th</sup> February 1928

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.

The Governor informed the Committee that the Bank of France were now withdrawing gold set aside amounting to £18,000,000 and that orders had been received for £3,500,000 gold for Brazil which would be taken from London unless arrangements could be made for shipment direct from South Africa.

CT. 40

It was agreed to recommend to the Court of Directors that a pension of £127 18 4 a year be granted, during pleasure and in accordance with the scale, to G. A. Clark, a House Porter, who will attain the age of 65 years on the 22<sup>nd</sup> instant.

Weekly Reports on certain Central Banks were laid before the Committee.

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

10/4  
N/E

|                                                               |            |
|---------------------------------------------------------------|------------|
| City of London Truss Society                                  | £10: 10: - |
| Royal National Life Boat Institution                          | 21: -: -   |
| Royal Surgical Aid Society                                    | 10: 10: -  |
| Bank Clerks' Orphanage                                        | 105: -: -  |
| 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<br>for Women, Euston N.W. | 50: -: -   |
| Samaritan Free Hospital for Women,<br>Marylebone Road         | 50: -: -   |
| Guys Hospital                                                 |            |



15<sup>th</sup> February 1928

|                                                             |                  |
|-------------------------------------------------------------|------------------|
| Guy's Hospital                                              | £250-0-0         |
| Bishop of Stepney<br>(via Rector of St Margaret's Lothbury) | 50-0-0           |
| Metropolitan Convalescent Institution,<br>Bexhill           | 22-1-0           |
| Royal National Hospital for Consumption<br>Ventnor          | 26-5-0           |
| Bankers Beneficent Society Ltd                              | 100-0-0          |
| City and Hospitals Charity Athletic Contest                 | 10-10-0          |
|                                                             | <u>£976-16-0</u> |

It was agreed to recommend to the Board of Directors -

- (a) That a donation of £100 be granted to the Royal London Ophthalmic Hospital.
- (b) That permission be granted to Sir Gordon Nairne to join the Board of the Investors' Trust Association Ltd.

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

(1) He read a letter from the Governor of the National Bank of Roumania confirming the statements as to the policy of Roumania in regard to the stabilisation of their currency contained in the memorandum on the position of France and the League regarding Financial Reconstruction which he had read to the Committee at their last Meeting.

He proposed to discuss the matter with M Moreau who will be visiting London on the 21<sup>st</sup> February.

(2) He had written to Sir Richard Hopkins suggesting that, say, £10,000,000 Bank Notes might be transferred to the Currency Note Account. Sir Richard had requested that the letter might be cancelled, but had accepted the suggestion as made verbally, and would mention the matter to the Chancellor if an opportunity should occur.

(3) He proposed to ignore a suggestion for the purchase of a controlling interest in the Anglo-International Bank by a group representing Austrian, German and South African finance - for the reason that such a group would not be in harmony with the objects

15<sup>th</sup> February 1928.

~~1643~~  
CT 123

objects and intentions under which the Anglo-Austrian Bank was originally formed and subsequently developed.

The position of the Anglo-International Bank was at the moment weaker than had been anticipated, due to the assets of the British Trade Corporation having been overvalued by their Directors to the extent of over £300,000. He was nevertheless assured that their position would steadily improve and he proposed to assist them by placing at their disposal for a period, say, \$2,000,000 at 60 or 90 days notice at a rate not above Bank Rate in New York.

~~1638~~  
CT 125

In this connection the Committee agreed to recommend to the Court of Directors that Sir Otto Niemeyer be requested to succeed the late Mr Spencer Smith as a Representative of the Bank of England on the Boards of the Anglo-International Bank Ltd. and certain allied or similar Banking Companies in Eastern Europe, if invited to do so.

~~1621~~  
CT 177

(4) The question of the establishment of a Land Mortgage Bank referred to on the 1st February, was still causing considerable difficulty, but he hoped that general agreement would shortly be reached. In that event he anticipated that when the necessary legislation had been passed the Bank of England would be requested to arrange for an issue of Bonds on behalf of the new Bank. He would then ask permission from the Court to put forward Sir Otto Niemeyer as the representative of the Bank of England on the Board of the new Bank.

~~1613~~  
CT 84

(5) He reported the further progress of his preliminary conversations with the Treasury on the question of the amalgamation of Note Issues.

### Present

The Deputy Governor.  
Lord Revelstoke  
Lord Bullen of Ashbourne  
Mr Trotter  
Sir Charles Addey and  
Mr Whitworth  
The Comptroller also  
attended.

Wednesday, the 22<sup>nd</sup> February 1928

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



22<sup>nd</sup> February 1928

4

recommended in the Bank Rate.

Weekly Reports on certain Central Banks were laid before the Committee, together with the fortnightly statement on the Bank of Italy.

It was agreed to recommend to the Court of Directors -

- (a) That Mr P.A. Plumble, Principal of the Power of Attorney Office, who will attain the age of 65 years on the 24<sup>th</sup> instant, be granted, during pleasure and in accordance with the scale, a pension of £833:6:8 a year as from the 25<sup>th</sup> instant inclusive, and that he be allowed to commute £150 of his pension for a cash payment of £1,208:2:-
- (b) That a donation of £1000 be made to the funds of the London Hospital.

The following were submitted and referred to the Court -

Minutes and Reports of the Staff Committee

- (a) Recommending appointments, &c.
- (b) Recommending promotions in accordance with the terms of the 1926 scheme of salaries.
- (c) Recommending the election of 11 Probationary Male Clerks to the Permanent Staff.
- (d) As to Annual Reports upon the clerical staff with recommendations for Personal additions to salary &c.

Minutes and Reports of the Committee on St Luke's

- (a) Recommending appointments &c.
- (b) As to the Annual Reports upon the clerical staff at St Luke's, &c.
- (c) Recommending that a rebate be allowed to the India Office on the termination of the India Ryree Note contract.

With reference to an Order of Court of the  
19<sup>th</sup> March 1914

5  
22<sup>nd</sup> February 1928

19<sup>th</sup> March 1914 sanctioning the printing of 100 Notes for £50,000 each for use in the daily adjustment of balances between the Issue Department and the Banking Department, it was agreed to recommend to the Board of Directors that these Notes be now destroyed and that 100 Notes for £10,000 each be printed in their place.

It was further agreed to recommend that the new Notes be printed in the same manner as the existing £50,000 Notes, viz., in black with a red crossing to distinguish them from the £100,000 Notes which are printed in red with a black crossing.

With reference to the advance to the Bate Royal Ltd. which was originally fixed at a limit of £200,000 and to the further advance of £30,000 authorised by the Committee on the 7<sup>th</sup> September 1927, which further advance was not at that time required by the Company, the Deputy Governor informed the Committee that an application had now been received for an advance of £40,000, making £240,000 in all, but that he had only granted an advance of £30,000 as previously authorised.

The Deputy Governor informed the Committee that the estimated Profits for the half year ending the 29<sup>th</sup> February 1928, after providing for a Dividend of 6% less Income Tax, amounted to £1,700,000. It was proposed to deal with this surplus as follows, viz.,

|                                                                                                                                                    |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Suspense Account. Provision for Income Tax                                                                                                         | £500 000          |
| Suspense Account in respect of contingent liability on account of Vickers Armstrong Ltd referred to in Minutes of the 24 <sup>th</sup> August 1927 | 1 000 000         |
| In writing down Securities and writing off certain amounts expended on premises                                                                    | 49. 478           |
| Securities Reserve Account                                                                                                                         | 126. 038          |
| Suspense Account No 1.                                                                                                                             | 24. 484           |
|                                                                                                                                                    | <u>£1 700 000</u> |



Present

The Deputy Governor  
 Lord Revelstoke.  
 Lord Bullen of Ashbourne  
 Mr Trotter  
 Mr Alan Anderson  
 Mr Charles Ades  
 Mr Whitworth and  
 Mr Whigham  
 The Comptroller also  
 attended

Wednesday the 29<sup>th</sup> February 1928

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.

Weekly Reports on certain Central Banks  
 together with a Monthly Report on the Bank Polski were laid  
 before the Committee.

It was agreed to recommend to the Court of  
 Directors that Pensions be granted during pleasure and in  
 accordance with the scale to the following persons -

E P Mullins, a 1<sup>st</sup> class clerk in the Private Drawing  
 Office, who will attain the age of 65 years on the 6<sup>th</sup> March, £446:13:11  
 a year from the 7<sup>th</sup> March inclusive, of which he be allowed to  
 commute £111:13:11 for a cash Payment of £899:7:3,

G V Dunstan, Superintendent in the Dividend Office, aged  
 56 years, £420 a year from the 1<sup>st</sup> June inclusive,

P J Berrow, a 2<sup>nd</sup> class clerk in the Private Drawing Office, aged  
 32 years, £121:4:- a year from the 3<sup>rd</sup> March inclusive,

F M Wells, a House Porter and Watchman, aged 61 years,  
 £131:-:8 a year from the 1<sup>st</sup> June inclusive.

A Minute of the Committee on St Luke's  
 requesting permission to commence the accumulation of the  
 necessary stock of numbered 10/- Bank Notes was submitted and  
 referred to the Court.

The Deputy Governor laid before the Committee  
 a note of a conversation with Mr Moreau and Mr Quesnay on the  
 22<sup>nd</sup> February as to the future relations of the Bank of England  
 and the

OT. 15  
 CT. 40  
 CT. 44

1826

29<sup>7</sup> February 1928

and the Bank of France with special reference to Roumanian stabilisation, together with a letter he had subsequently written to M. Moreau and cables to and from Mr Strong.

He had agreed that if the Bank of France and the Federal Reserve Bank of New York were to recommend a scheme for the financial reconstruction of Roumania, the Bank of England, in order to maintain cooperation between Central Banks, would participate.

CT 72

The Committee, while not taking exception to this action, were of opinion that as a general principle it was advisable whenever possible for the Governors to consult the Committee, or such Members as might be available, before making definite decisions on questions of this nature.

161  
CT 84

The Deputy Governor reported the further progress of conversations with the Treasury on the question of amalgamation of Note Issues from which it appeared that the Bank were unlikely to obtain power to transfer Securities from Issue to Banking, at their discretion. The Committee were of opinion that even if the Bank were unable to obtain this power they should not refuse to take over the amalgamated issue.

#### Present

The Deputy Governor  
Lord Kewstoke  
Lord Culling of Ashburnham  
Mr Trotter  
Sir Alan Anderson  
Sir Charles Addeis  
Mr Whitworth and  
Mr Whigham  
The Comptroller also attended.

Wednesday the 7<sup>th</sup> March 1928

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.

Weekly Reports on certain Central Banks together with the Fortnightly Report on the Bank of Italy were laid before the Committee.

162  
N/E

It was agreed to grant the usual scale Allowance



7<sup>th</sup> March 1928. scale Allowance of £18 a year to Mrs Elizabeth Baker, widow of <sup>8</sup>  
L W Baker, a Pensioner, formerly Messenger to the Secretary.

It was agreed to recommend to the Court of Directors that J A H Breach, a 1<sup>st</sup> class clerk in the 5% War Stock Office, who will attain the age of 65 years on the 11<sup>th</sup> March, be granted during pleasure and in accordance with the scale a Pension of £1446:13:4 a year from the 12<sup>th</sup> March inclusive.

A Minute of the Committee on St Luke's recommending increases of pay at the St Luke's Printing Works was submitted and referred to the Court.

The Monthly Statement showing progress in production of £1 Bank of England Notes was submitted.

10-21  
CT 177  
With reference to previous Minutes, the Deputy Governor informed the Committee that further discussion had taken place with the Treasury and the Board of Agriculture as to the proposed Land Mortgage Institution. The Capital of the Institution, which would be provided by the Banks, would amount to £750,000 and he proposed to undertake that the Bank would subscribe, if necessary, up to £200,000. The Government proposed to introduce a Bill into Parliament at an early date.

10-1  
CT 84  
CT 95  
With reference to the last and earlier Minutes on the question of the amalgamation of Note Issues, the Deputy Governor informed the Committee that the Treasury were now considering the insertion in the Bill of a clause requiring Banks to concentrate their gold at the Bank of England.

The question as to whether the Bank are to take over as part of the securities in the Issue Department the silver at present held as security against the currency Note Issue is also under discussion.

It was agreed to recommend to the Court that an invitation be extended to Mr Charles Jocelyn Hambro of Hambro's Bank Limited to allow his name to be recommended to the Proprietors in April next to fill the vacancy caused by the death of Mr Spencer Smith.

Present

The Deputy Governor  
 Lord Revellstone  
 Lord Cullen of Ashbourne  
 Mr Trotter  
 Mr Whitworth and  
 Mr Whigham  
 The Comptroller also  
 attended

Wednesday, the 14<sup>th</sup> March, 1928

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.

The Monthly Report of the Committee on Advances and Discounts was submitted, together with the Weekly Reports on certain Central Banks.

The following were submitted and referred to the Court -

Report of the Committee on Advances and Discounts on the Discount Business of the Bank for the past year.

Annual Statement of Accounts of -

The Pensions Reserve Fund  
 The Clerks' Guarantee Fund and  
 The Samaritan Fund.

The Half-Yearly Accounts of -

The St Luke's Printing Works  
 The Works Department.

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 5<sup>th</sup> April next of 16 per cent, less Income Tax.

With reference to the Minutes of the 2<sup>nd</sup> November last as to the business of the Liverpool Corporation, the Deputy Governor



11<sup>th</sup> March 1928

the Deputy Governor informed the Committee that he was expecting a visit from a deputation from the Corporation who would probably desire to discuss the question of an early issue of Stock. The Committee were of opinion that, if necessary for the purpose of retaining the business, the Bank should in this case make such concession as may be possible in their own charge and should request the Brokers to consent to a reduction in the rate of commission to be paid to them for arranging the underwriting.

The Deputy Governor also informed the Committee that he proposed to refuse an invitation for the Governor of the Bank to serve on a Committee which the owners of the Spectator propose to set up on similar lines to that established in 1924 by the owners of the Times.

The Committee had before them a letter from Sir Cosmo Benson in which he expressed his wish not to seek re election as a Director and it was agreed to recommend to the Court that an invitation be extended to Sir Jonah Stamp GBE to allow his name to be recommended to the Proprietors in April next to fill the vacancy so caused.

### Present

The Deputy Governor.  
Lord Ravelstone  
Mr Trotter  
Sir Alan Anderson  
Sir Charles Addis  
Mr Whitworth and  
Mr Whigham  
The Comptroller also attended

Wednesday the 21<sup>st</sup> March 1928

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.

Weekly Reports on certain Central Banks, together with the Fortnightly Report on the Bank of Italy, were laid before the Committee.

The following were submitted and referred to the Court

21 March 1928

to the Court -

Minute of the Staff Committee recommending appointments &c

Report of the Staff Committee on payments made during the Quarter.

Letter from the Chancellor of the Exchequer applying for Advances during the ensuing Quarter.

With reference to the last and earlier Minutes the Deputy Governor acquainted the Committee of the following matters, viz,

(1) The Corporation of Liverpool have decided not to make an issue of Stock at the present time.

(2) The Banks, with the exception of the Midland Bank, have approved the financial clauses of the proposed Agricultural Credits Bill and have agreed to subscribe to the capital of the new Bank, provided that the Midland Bank, who are still considering the question, also consent to subscribe. In pursuance of the authority given to him by the Committee on the 7<sup>th</sup> instant he had promised a subscription of £200,000 from the Bank.

(3) He has had further interviews with the Treasury on the subject of the amalgamation of Note Issues and a draft Bill was now being prepared which should be in the hands of the Bank in a few days.

LQ-21  
CT 177

L31  
N/E



Wednesday, the 28<sup>th</sup> March 1928

Present

The Deputy Governor  
Lord Revelstoke  
Mr Trotter  
Sir Charles Addison  
Mr Whitworth and  
Mr Whigham  
The Comptroller also  
attended

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.

Weekly Reports on certain Central Banks together with the Monthly Report on the Bank Polski were laid before the Committee.

A Report of the Staff Committee recommending the election of twelve Probationary Male Clerks to the Permanent Staff was submitted and referred to the Court.

It was agreed to recommend to the Court that the Ballot Papers for the Election of the Committee of Treasury for the ensuing year should be issued on Thursday, the 12<sup>th</sup> April, and that the procedure of last year in regard to the Election should be followed.

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

(1) With reference to the last Minutes the Midland Bank have declined to subscribe towards the capital of the proposed Land Mortgage Institution and the success of the scheme is consequently in doubt.

(2) With reference to Minutes of the 29<sup>th</sup> February and earlier as to the stabilisation of the Roumanian currency he laid before the Committee cables from the Federal Reserve Bank with his replies.

1024  
CT. 177

1026  
CT. 15  
CT. 44

Wednesday, the 4<sup>th</sup> April, 1928.

Present

The Deputy Governor  
Lord Gullen of Ashbourne  
Mr Trotter  
Sir Alan Anderson  
Sir Charles Addis and  
Mr Whitworth  
The Comptroller also  
attended.

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.

Weekly Reports on certain Central Banks, together with the fortnightly Report on the Bank of Italy were laid before the Committee.

The Committee had before them a letter from L. E. Williams, a Superintendent in the 5% War Stock Office, in which he asked to be allowed to retire on a Pension. Williams is 61 years old and has completed 42 years' service.

It was agreed to recommend to the Court of Directors that Williams' resignation be accepted and that he be granted a Pension of £470 a year, during pleasure and in accordance with the scale, from the 6<sup>th</sup> April, inclusive.

The following were submitted and referred to the Court -

House List of Governors and Directors for the ensuing year.

Minute of the Committee on St. Luke's recommending that negotiations be opened for the purchase of the Almshouses in Back Street.

The Monthly Statement showing the progress in production of £1 Bank of England Notes was submitted.

*with reference*



4<sup>th</sup> April, 1928.

With reference to the proposed transfer of the Works Department to premises at St. Luke's, the Deputy Governor reported that the purchase of the "Peerless Arms" Public House had been completed; that revised plans for the new Works Department had been approved and that the estimated cost of the building was £35,000.

The Committee agreed to recommend to the Court that authority be now given for the work to proceed.

With reference to the last and earlier minutes as to the stabilisation of the Roumanian currency, the Deputy Governor informed the Committee that, subject to the approval of the Federal Reserve Board, the Federal Reserve Bank have accepted an invitation from the Bank of France to participate in a Bank of Issue Credit in favour of the National Bank of Roumania.

Wednesday, the 11<sup>th</sup> April, 1928.

Present

The Governor  
Lord Cullen of Ashbourne  
Mr Trotter  
Sir Charles Addison  
Mr Whigham  
The Comptroller also  
attended.

The proceedings 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.

The Governor acquainted the Committee that consequent on the death of Mr Hoare Sir Bosmo Bonsor had consented to allow his name to be recommended to the Proprietors for election as a Director for the ensuing year and it was agreed to make a recommendation to this effect to the Court.

The Comptroller

15  
11<sup>th</sup> April, 1928.

HBT  
N/E

The Comptroller reported as to the conversations which had taken place between the Deputy Governor and Sir Richard Hopkins regarding legislation to provide for the amalgamation of the Bank Note and Currency Note Issues, and informed the Committee of the points on which it was considered desirable to press for amendments in the draft Bill submitted to the Bank.

Present

A full Committee  
The Comptroller also  
attended

Wednesday, the 18<sup>th</sup> April 1928

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.

CT 99.

In this connection the Committee agreed generally that there was nothing in the present situation to warrant a reduction in the immediate future.

The following were submitted and approved—

Monthly Report of the Committee of Advances and Discounts,  
Weekly Reports on certain Central Banks,  
Fortnightly Report on the Bank of Italy.

The following were submitted and referred to the Court—

Minute of the Committee on Advances and Discounts recommending the re-opening of a Discount Account,

Minute



18<sup>th</sup> April 1928.

Minute of the Staff Committee recommending appointments<sup>16</sup>  
Report of the Staff Committee recommending the election of  
16 Probationary Male Clerks to the Permanent Staff.

It was agreed to recommend to the Board of Directors that the following donations be granted -

To the Douglas Haig Memorial Fund 500 Guineas

To the Lord Mayors Fund for the Relief of  
Distress in the Coalfields 2000 Guineas

To the City of London Hospital for the  
Diseases of the Heart and Lungs £100

An application on behalf of "Ice" was declined

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

(1) With reference to Minutes of the 20<sup>th</sup> April 1927 and earlier  
ET 192 he had arranged for the Bank to continue to pay Mr Frater  
Taylor £2500 a quarter for a further year, i.e. to the 30<sup>th</sup> April 1929,  
on the same terms as before.

(2) With reference to Minutes of the 14<sup>th</sup> March last and earlier  
he proposed, in the hope of retaining for the Bank the business of  
the Liverpool Corporation, to make a bid at a high price for, say,  
£1,000,000 Liverpool Corporation 5% Stock 1941/61.

1B-11  
CT 77  
(3) Sir John Mullens had told him unofficially that he  
proposed to retire during the present year and it would  
therefore be necessary to arrange for the appointment of a  
Government Broker in his place.

(4) On completion of the amalgamation of Note Issues the  
purchase and sale of Securities for the Issue Department will  
be primarily for account of the Bank and he proposed to apply  
to the Committee of the Stock Exchange for leave to vary the  
usual commission on such transactions.

(5) Mr Paget, the Principal of the Discount Office, will  
shortly attain the age of 60 and has expressed a wish to

retire

18<sup>th</sup> April 1928+B+  
SEC 9

retire in the Autumn, by which time he will have completed 42 years' service.

- (b) The question as to the power of the Bank -  
 (a) to elect to the Court Officials, as such,  
 (b) to appoint Directors, as such, to positions on the Staff of the Bank,

was now being considered by Sir William Leese in consultation with the Attorney General and Mr Gavin Simonds and he was hoping to receive their opinion in two or three weeks time.

+B+  
CT 84

With reference to the last and previous Minutes on the subject of the amalgamation of Note Issues, the Governor acquainted the Committee that a general and satisfactory provisional agreement with the Treasury seemed to be imminent.

The draft of the proposed Bill together with a Schedule of agreed amendments was generally approved by the Committee who however expressed the hope that the Bank might be able to secure the addition to Clause 3 of some provision limiting the use of the power to increase the fiduciary issue to occasions of emergency.

### Present

A full Committee  
 The Comptroller also attended.

+B+  
CT 84

Thursday, the 19<sup>th</sup> April 1928

With reference to the last Minutes on the question of the amalgamation of Note Issues, the Committee approved the draft of Clause 3, Sections 1 and 2, of the proposed Bill as submitted to them at their previous Meeting. They also approved drafts of letters which it was proposed to exchange between the Bank and the Treasury on the following points:-

1. From



19<sup>th</sup> April 1928

CT-97

- 1 From the Bank: Agreeing to act in personal consultation with the Treasury in connection with operations affecting the Securities in the Issue Department.
- 2 From H.M. Treasury: Regarding Silver loan in the Currency Note Account.
- 3 From H.M. Treasury: Reserving the right to H.M. Treasury, should they so desire, to make representations to the Bank as to the cost of the management of the Issue Department.

Present

The Governor  
 Lord Revelstoke  
 Lord Butler of Ashbourne  
 Mr. Trotter  
 Sir Alan Anderson  
 Sir Charles Addis  
 Mr. Whitworth  
 Mr. Shaw  
 The Comptroller also  
 attended.

Wednesday, the 25<sup>th</sup> April 1928

The proceedings of the Meetings on the 18<sup>th</sup> and 19<sup>th</sup> April 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.

Weekly Reports on certain Central Banks were submitted, together with the Monthly Report on the Bank of India.

It was agreed that Allowances, in accordance with the scale, be granted as follows:—

To Mrs M J Lempriere, Widow of H H Lempriere, a Pensioner formerly of the Dividend Pay Office, £59 a year.

To Mrs M F Olivier, Widow of A F Olivier, a 1<sup>st</sup> Class Clerk in the Private Drawing Office, £42 a year.

It was agreed to recommend to the Court of Directors -

(1) That E. H. Cross

+ 10 to  
 Establs

+ 10 to  
 Establs

25<sup>th</sup> April 1928

(1) That E. H. Cross, a cashier, who will attain the age of 65 years on the 3<sup>rd</sup> May, be granted a Pension during pleasure and in accordance with the scale of £589.19/- a year from the 4<sup>th</sup> May, inclusive, and that he be allowed to commute £147.9.8 of his Pension for a cash Payment of £1187.16.7.

(2) That the Agent at the Hull Branch be authorised to make a donation of £250 towards the establishment of a University College at Hull.

(3) That W. M. Acres, of the Branch Banks Office, who was authorised by the Board of Directors to collect the material for a Social History of the Bank, in accordance with a recommendation of the Committee of the 13<sup>th</sup> May 1925 be now authorised to compile the History.

CT 146

Proposals for the appointment of Committees for the current year were submitted and referred to the Board, together with a Minute of the Committee on St Luke's recommending the transfer of the Dividend Preparation Office from Tabernacle Street to premises to be erected on the St Luke's site at an estimated cost of £92,500.

The Governor reported that on the 23<sup>rd</sup> instant he had suspended W. S. Page, a Superintendent in the Dividend Office, who was believed to be in circumstances of pecuniary embarrassment.

It was agreed to pay to the Operatic, Dramatic and Orchestral Society the sum of £40 to make good the deficiency in their funds for the past year.

10.27  
CT 67.03

The Governor acquainted the Committee of the following matters:-

(1) With reference to Minutes of the 23<sup>rd</sup> March 1927 authorising a temporary advance to the Central Electricity Board of £100,000 without security, that Board

are

10.11  
CT 126



25<sup>th</sup> April 1928

20

are not yet in a position to justify the raising of capital by public subscription, but they may nevertheless require during the current year a further sum of £650/750000. He therefore proposed to make them further advances up to a maximum of £850,000, including the £100,000 already authorised, against a Resolution of the Board, under seal, undertaking, if and when called upon by the Bank, to make such public issue or issues as may be necessary for the purpose of raising money out of which to repay any outstanding advances.

(2) He had refused requests to recommend that Sir Otto Niemeyer be requested to join the Committee of the Ottoman Bank in London.

(3) In response to a letter of invitation from M Moreau he proposed to go to Paris this week to discuss various outstanding questions.

(4) Since March 1927 the Bank have carried out purchases and sales on behalf of the Miners Welfare Fund, which consists of private monies provided by mine owners and managed by the Treasury, and have received from the Brokers by way of return of half commission a sum of about £1500. Having regard to the object of the Fund, he proposed that future purchases and sales should be executed at half commission in respect of that portion of each transaction which is in excess of £2500 and that £1387.2/- be returned to the fund in respect of past transactions.

+B+2  
CT 131

### Present

The Governor  
Lord Revelstoke  
Lord Cullen of Ashbourne  
Mr Trotter  
Sir Alan Anderson  
Sir Charles Adair  
Mr Whitworth and  
Mr Shaw.  
The Comptroller also attended

Wednesday, the 2<sup>nd</sup> May, 1928

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.

In this connection the Governor laid before the Committee a cable offering to lend the Federal Reserve Bank up to \$50,000,000 for purposes of market control and stated that

+B+5  
CT 44

2nd May 1928

that the Federal Reserve Bank had since declined the offer

Weekly Reports on certain Central Banks were submitted together with the Fortnightly Report on the Bank of Italy.

A Report of the Staff Committee on the case of W S Page, a Superintendent in the Dividend Office, who was suspended by the Governor on the 22nd April, was submitted and referred to the Court.

A letter from Sir Gordon Naime asking permission to join the Board of the British Italian Banking Corporation in place of the late Mr Spencer Smith was submitted and referred to the Court.

With reference to the Minutes of the 25th April 1923 and the 13th May 1925 it was agreed to continue for five years to subsidise the funds of the Bank Sports Club to the extent of 15/- for every 25/- of subscriptions received from Members.

It was also agreed that the sum of £50.16.10 be paid to the Sports Club to make good the loss on last year's working.

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

(1) The Commonwealth Bank are considering monthly shipments of gold and have agreed to open negotiations with India, if these negotiations fall through the Commonwealth Bank will refer to the Bank of England before considering shipments elsewhere.

(2) In the early part of this year he had various conversations with Ministers as to the policy to be pursued by the Cable Conference and the arrangements which would accordingly be necessary. By agreement with the Deputy Governor this matter is now being dealt with from time to time by Sir Otto Niemeyer.

Although it seems impossible to record all such advice

+816  
CT 67.02

+814  
N/E

CT 50.03



2<sup>nd</sup> May 1928

advice or assistance as may thus be given or refused he might<sup>22</sup> mention that he had thought it inadvisable for Sir Otto Niemeyer to join the Board of the Anglo-Czechoslovakian Bank or to preside at an early Meeting of the National Savings Association at the Mansion House.

~~1813~~  
N/E

(3) He hoped that terms of issue for 5 percent Treasury Bonds 1932/5 would be arranged similar to those agreed for 4 percent Consols which were approved by the Committee on the 15<sup>th</sup> June 1927.

~~1826~~  
CT. 15  
CT. 40.

(4) With reference to Minutes of the 29<sup>th</sup> February last he laid before the Committee a detailed memorandum of conversations he had had with M Moreau in Paris on the 27<sup>th</sup> and 28<sup>th</sup> April.

It would be necessary for him during the next few days to write to M Moreau as to the Bank's attitude in regard to the Central Bank credit for Roumanian stabilisation now being arranged by the Bank of France. He proposed to inform M Moreau that the Bank are still of opinion that this credit should be arranged under the auspices of the League of Nations, but that their desire for cooperation between Central Banks outweighs their preference for the League, and that they are accordingly prepared to participate in the credit provided that their participation shall not be considered binding unless and until an arrangement, satisfactory to the Committee of the London Stock Exchange, shall have been made for again admitting certain Roumanian pre-war Bonds to an official quotation.

~~181~~  
CT 84.

With reference to the last and previous Minutes as to the amalgamation of Note Issues, the Committee had before them a draft of the proposed Bill together with a subsequent amendment of Clause II; subject to the deletion of Section 3 of the latter clause the Committee approved the draft.

Present

The Governor  
 Lord Revelstoke CT 15 &  
CT 40  
 Lord Bullen of Ashbourne  
 Sir Alan Anderson  
 Sir Charles Addey and  
 Mr Whitworth.

Thursday the 3<sup>rd</sup> May 1928.

With reference to the Minutes of the Meeting of the 2<sup>nd</sup> instant, the Committee considered and generally approved the draft of a letter which the Governor proposed to send to M. Moreau.

Present

The Governor.  
 Lord Revelstoke  
 Lord Bullen of Ashbourne  
 Mr Trotter.  
 Sir Alan Anderson.  
 Sir Charles Addey  
 Mr Whitworth and  
 Mr Shaw  
 The Comptroller also  
 attended

Wednesday the 9<sup>th</sup> May 1928

The proceedings of the Meetings of the 2<sup>nd</sup> and 3<sup>rd</sup> instant 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

Weekly Reports on certain Central Banks were submitted, together with the Monthly Statement showing the progress in production of £ Bank of England Notes.

The following were submitted and referred to the Court.

The Report of the Audit Committee on audits taken by the Audit Department between the 11<sup>th</sup> January and the 23<sup>rd</sup> April 1928, together with the Quarterly Report of the Staff Committee with "Overs" and "Shorts".

With reference to the amalgamation of Note Issues, the Governor laid before the Committee a statement showing the gross profits of the Issue Department

131  
CT. 84.



9<sup>th</sup> May 1928

Department and an estimate of income and expenditure after the amalgamation of the Note Issues

The Governor acquainted the committee of the following matters -

(1) He had agreed to advance to the Governors of the Peabody Donation Fund a sum not exceeding £100,000 during the next year on an undertaking of the Governors of the Fund to give a charge, if required by the Bank, on their freehold land and buildings.

(2) In response to a request to their Agents in Paris to issue or secure the issue of a Jugo-Slavian Loan in Paris Messrs Rothschilds have been informed that the Bank of England should first approach the Bank of France to ensure both a stabilisation scheme and a settlement of French Bondholders' claims which would be satisfactory to the Bank of France, and that the Bank of England should then request the Bank of France to induce a French group to join with the London group in the issue of the proposed loan in both markets.

He proposed to give no answer to this suggestion.

(3) He proposed to take no steps to prevent the French Banks and others in London from offering to receive subscriptions for the French Internal Consolidation Loan to be issued shortly.

(4) With reference to the last and earlier Minutes he laid before the Committee a copy of his letter to M Moreau of the 4<sup>th</sup> May and of his correspondence with the Chairman of the Committee of the Stock Exchange on the subject of the inclusion of pre-war Roumanian Bonds in the Official List of the London Stock Exchange.

With reference to earlier Minutes as to a Supplemental Charter, the Governor laid before the Committee two letters from Sir William Leese to the effect that before making any decision on the question the

Attorney General

SEC. 9.

9<sup>th</sup> May 1928.

Attorney General required an assurance that the Court considered it desirable for the Bank to have power -

- (a) To elect Members of the Staff to the Court.
- (b) To appoint Members of the Court to positions of profit within the Bank.

and that they desired, if necessary, to obtain a supplemental Charter for the purpose.

After discussion it was proposed that a recommendation be made to the Court of Directors next week that Sir Ernest Harney, while still continuing to hold the post of Comptroller, be recommended to the Proprietors for election to the Court in the room of Sir Cosmo Bonar who has expressed a wish to retire as soon as possible and that Sir William Leese be instructed to ascertain from the Attorney General whether the Proprietors have power under the Charters to make such an election.

Note. Mr Trotter, who will be absent next week, asked that his approval might be recorded and stated that he was authorised to inform the Committee that the Deputy Governor was also in favour of the adoption of this course.

Present

The Governor  
 Lord Revelstoke  
 Lord Cullen of Ashbourne  
 Sir Alan Anderson  
 Sir Charles Addis  
 Mr Whitworth and  
 Mr Shaw  
 The Comptroller also  
 attended.

Wednesday, the 16<sup>th</sup> May 1928

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.

The following



16<sup>th</sup> May 1928

The following were submitted and approved -

Monthly Report of the Committee on Advances and Discounts,  
Weekly Report on certain Central Banks,  
Fortnightly Report on the Bank of Italy

It was agreed to recommend to the Board of Directors that F E Gifford, a cashier who will attain the age of 65 years on the 23<sup>rd</sup> instant, be granted during pleasure and in accordance with the scale a Pension of £600 a year from the 24<sup>th</sup> instant inclusive and that he be allowed to commute £150 of this Pension for a cash Payment of £1208.2/-

It was agreed to recommend to the Board that permission be granted for an Account to be opened in the name of the Bank of Greece.

The result of the Annual Election for Representatives of the Staff on the Advisory Council of Directors and Staff was submitted and referred to the Board.

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

(1) An offer was likely to be made for the purchase by the Trade of the "Economist" and he had refused a suggestion that the Bank should contribute towards the capital necessary to enable the "Economist" to be continued in trust as an independent newspaper.

(2) He laid before the Committee the following memoranda by Mr Siepmann.

(a) As to a loan which the Bank had agreed to make jointly with the Bank of France in equal shares to the National Bank of Roumania, the Bank's participation to be £325,000.

(b) On recent conversations with the General Manager of the  
National

LB 75  
CT 145

LB 26  
CT 15

LB 107  
CT 107

16<sup>th</sup> May 1928+18+  
CT 84

National Bank of Jugoslavia on the question of the position of the Central Bank in any scheme for the stabilisation of the Jugoslavian currency.

(3) With reference to last week's Minutes he laid before the Committee figures and estimates which he had been asked and proposed to supply to H.M. Treasury for the information of Ministers in connection with the Committee Stage of the Currency and Bank Notes Bill.

(4) He proposed to be absent from the Bank on Friday and Saturday, the 18<sup>th</sup> and 19<sup>th</sup> instant, as he wished to meet Mr Strong on his arrival in France from America.

+18+  
SEC 9.

With reference to the last Minutes the Committee agreed to recommend to the Court of Directors that Sir Ernest Harvey, while still continuing to hold the post of Comptroller, be submitted to the Proprietors for election to the Court in the room of Sir Cosmo Bonar who has expressed a wish to retire as soon as possible.

The Committee also agreed that the question of the appointment of Directors to Offices of profit within the Bank should be held in abeyance for the time being, but that the question of the Bank's power in both cases should in the meantime be discussed with the Attorney General.



Present

The Governor  
 Lord Cullen of  
 Arden  
 Sir Mark Anderson  
 Sir Charles Addis  
 Mr Whitworth and  
 Mr Shaw  
 The Comptroller also  
 attended

Wednesday, the 23<sup>rd</sup> May 1928.

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.

The following were submitted and referred to the Court -

Minute of the Staff Committee recommending appointments &c.  
 Report of the Staff Committee recommending the election of 13 Probationary Male clerks to the Permanent Staff.

Weekly Reports on certain Central Banks were approved together with the Monthly Report on the Bank Polski.

It was agreed to recommend to the Court of Directors -

- (1) That a donation of £50 be made to the Funds of the City Branch of the British Legion.
- (2) That Mr Shaw be granted permission to join the Board of Messrs Anderson, Green & Co Ltd.

The Governor acquainted the Committee of the following matters referred to in previous Minutes -

- (1) He was glad to say that the Currency & Bank Notes

Bill

23<sup>rd</sup> May 1928

Bill had now been read a third time in the House of Commons, and in this connection he laid before the Committee a copy of a message as to the intentions of the Bank in regard to clause 8 which in answer to a request he had yesterday telephoned to the House of Commons for the use of the Minister in charge of the Bill.

(2) Letters had been received showing that the question of a Supplemental Charter was still under consideration by the Attorney General and Sir William Jessel.

(3) Along with Mr Stewart he had seen Mr Strong at Cheltenham on his arrival from America and had found him still far from well. He had discussed various matters with him including the French position and had been brought to the conclusion that it is possible that France will stabilise her currency within the next few months. In that event a considerable increase of French holdings of gold and/or Exchange might be expected and he asked the Committee to consider whether it would not be wise therefore to increase our reserves of gold and/or valuta.

The Committee were informed that

on the 21<sup>st</sup> instant the Minute as to the election of a Director, which was submitted to the Court last week, had been discussed at a private Meeting of Directors. At this Meeting no conclusions had been reached and it had been agreed that further discussion be deferred until the 31<sup>st</sup> instant at or after the Court, and that if necessary a final decision be still further delayed. The Governor then stated that having himself been absent from the Meeting he would to-morrow ask the Court whether they wished for further discussion this week.



Present

The Governor  
 The Deputy Governor  
 Lord Revelstoke  
 Lord Cullen of Ashbourne  
 Sir Alan Anderson  
 Sir Charles Addis and  
 Mr Whitworth  
 The Comptroller also  
 attended.

Wednesday, the 30<sup>th</sup> May, 1928.

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  
 that G. S. Lakeman, a cashier, who will attain the age of 65 years  
 on the 1<sup>st</sup> June be granted a Pension, during pleasure and in  
 accordance with the scale of £600 a year from the 2<sup>nd</sup> June inclusive  
 and that he be allowed to commute £50 of this Pension for a cash  
 Payment of £402.11.4.

Weekly Reports on certain Central Banks were  
 submitted together with the fortnightly Report on the Bank of Italy.

With reference to last week's Minutes as to the  
 position of the Bank in the event of France stabilising her currency at  
 an early date, the Committee generally were not inclined at the  
 moment to increase the Bank's reserves of gold and/or valuta.

The Governor acquainted the Committee of  
 the following matters.

(1) At the request of H. M. Treasury he had last year agreed that  
 the Governor of the Bank should act as a Trustee of the Palestine  
 Guaranteed Loan in conjunction with the Permanent Secretary of  
 the Treasury and the Permanent Under Secretary of State for  
 the Colonies and he proposed to accept a similar request in  
 respect of the forthcoming Tanganyika Guaranteed Loan.

(2) He submitted

CT. 71. 03.

30<sup>th</sup> May 1928.H B 26  
CT 15

(2) He submitted to the Committee a memorandum by Mr Siepmann of a conversation he had had at the Bank on the 26<sup>th</sup> instant with M. Kiriacescu, Vice Governor of the National Bank of Roumania, who had come to explain the position of his Bank in the hope of thereby renewing their friendly understanding with the Bank of England which they feared had been interrupted by recent events.

(3) He proposed that, if a Committee were set up to consider the Export Credit Scheme, Sir Otto Niemeyer should be free to accept an invitation to become the Chairman or a Member of the Committee if the terms of reference and conditions appeared to him to be satisfactory.

(4) He had yesterday received a telegram to the effect that so far as Central Banks are concerned the tax in America on Bills of Exchange has been withdrawn.

(5) He is leaving in a fortnight for an extended holiday and the Deputy Governor will before then spend a few days with Mr Strong in the Riviera.

H B 6  
N/E

With reference to the Minutes of the 16<sup>th</sup> instant proposing a Director in the room of Sir Bosmo Bonsor discussion took place as to the lines to be followed when the matter is discussed in Court and it was decided that there should be a full discussion this week and that the question should then be adjourned for decision at the next Court.



PresentWednesday, the 6<sup>th</sup> June 1928

The Governor  
 Lord Revelstoke  
 Lord Bullen of  
 Ashbourne  
 Mr Trotter  
 Dr Alan Anderson  
 Sir Charles Adie  
 and  
 Mr Whitworth  
 The Comptroller also  
 attended

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.

The Committee had before them a letter from  
 G. H. Pagden, a Senior Clerk in the Dividend Accounts Office, in  
 which he asked to be allowed to tender his resignation from the  
 service of the Bank on account of continued ill-health. Pagden is  
 53 years of age and has completed 34 years' service. In the opinion  
 of the Bank Medical Officer he will not again be well enough to  
 perform his duties satisfactorily.

In these circumstances the Committee agreed  
 to recommend that Pagden's resignation be accepted, that he be  
 granted a pension equal to his full salary until the 31<sup>st</sup> August  
 next and thereafter of £377 a year, during pleasure and in  
 accordance with the scale.

The following were submitted and referred  
 to the Court:-

Minute of the Committee on St Lukes recommending an  
 amendment in the regulations relating to the weekly half holiday  
 granted to members of the clerical staff of St Lukes Printing  
 Works.

Report of the Staff Committee on the case of W. E. Page  
 a Pensioner, formerly a Superintendent in the Dividend Office.

The following

6<sup>th</sup> June 1928

The following were submitted and approved -

Weekly Reports on certain Central Banks  
Monthly Statements shewing the progress in production of £1 and 10/- Bank of England Notes.

+B1  
CT 84

A memorandum of the pledges and assurances given in the House of Commons by Members of the Government regarding the operation of the currency and Bank Notes Act.

The Governor acquainted the Committee of the following matters -

CT 8

(1) He had last week received a visit from M. Karpinski, Governor of the Bank Polski, and Mr Glegg, Governor of the South African Reserve Bank is now in London.

(2) With reference to his statement last week that the tax in America on Bills of Exchange has been withdrawn so far as Foreign Central Banks are concerned, he has asked the Federal Reserve Bank for the time being to invest our dollar securities, as they mature, in commercial Bills with the guarantee of the Federal Reserve Bank.

+B21  
CT 84

(3) He proposed to transfer gradually about £6 millions nominal 3½% Conversion Loan from the Issue Department to the Banking Department in exchange for short dollar securities of the same value to be transferred from Banking to Issue. The Conversion Loan will be held on a special Security Account in the Banking Department with a view to its ultimate sale, probably to the Currency Note Account.

(4) He had been asked by the Treasury to suggest the names of possible successors -

CT 141 +B19

i To Mr George Schuster as Chairman of the Development Commission, and

CT 22: +B20

ii To the present Financial Adviser of Iraq.

Office File  
P33.

+B25

(5) He wished, if possible, to agree to a request contained in a letter



6<sup>th</sup> June 1928

in a letter from the Honorary Secretary of the Royal 34  
Institute of International Affairs to Sir Herbert Baker that the  
Bank would find in the New Building some position [~~as High~~  
~~Watchman~~] for Lawrence of Arabia. The Committee were  
prepared in principle to agree to any proposal that might  
be made by Sir Herbert Baker for Lawrence's maintenance  
and happiness.

The Committee approved a list of persons  
to whom Presentation copies of the Catalogue of Prints in the  
possession of the Bank should be sent.

163  
N/E.  
With reference to the Minute of the 16<sup>th</sup> ultimo  
as to the appointment of a Director in the room of Sir Cosmo  
Bonsor the Governor laid before the Committee a memorandum  
containing certain alternative proposals.

The Committee agreed to recommend to the Court  
that the Minute of the 16<sup>th</sup> May be withdrawn and that subject  
to certain changes the alternative proposals be considered  
with a view to their eventual adoption.

Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Ashbourne  
Mr Trotter  
Sir Alan Anderson  
Sir Charles Addison  
Mr Whitworth  
The Comptroller also  
attended

Wednesday the 13<sup>th</sup> June 1928

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.

Weekly Reports on certain Central Banks  
together with the Fortnightly Report on the Bank of Italy were  
submitted and approved.

It was agreed

13<sup>th</sup> June 1928

It was agreed that Allowances in accordance with the scale be granted as follows:-

To Mrs S N Lodington, widow of Edward Lodington, a Pensioner, formerly Chief Clerk at the Manchester Branch, £60 a year.

To Mrs F A Smythe, widow of N R Smythe, a Pensioner, formerly a 2nd Class Clerk at the Liverpool Branch, £50 a year.

The Governor acquainted the Committee of the following matters:-

(1) Some weeks ago he had declined a request to take Bills accepted by Messrs Bunge & Co Ltd who had now asked to be allowed to open a Drawing Account at the Bank. The greater part of the capital of this Company is held abroad and he proposed in pursuance of the Bank's recent policy to refuse their request.

(2) With reference to a Minute of the 15<sup>th</sup> February last he had refused to sell the Bank's holding of shares in the Anglo-International Bank to the Deutsche Bank who wished by this means to re-establish themselves in London.

(3) He laid before the Committee a letter he had written to the Treasury suggesting the appointment of Mr Hugh Priestley as one of the Government Brokers in succession to Sir John Mullens, whose impending retirement was reported to the Committee on the 18<sup>th</sup> April last together with a reply from the Comptroller General of the National Debt Office stating that the Commissioners for the Reduction of the National Debt would raise no objection to the appointment.

(4) He laid before the Committee a memorandum as to changes in the credit structure and in the credit base between April 1925 and April 1928.

(5) With reference to Minutes of the 30<sup>th</sup> November and the 7<sup>th</sup> December last as to the supply of gold possibly proving insufficient to maintain the present price level if the existing tendency

+ B 24  
N/E

+ B 28  
N/E

+ B 23  
CT 123.

+ B 22  
CT 77.

+ B 99  
CT 95 04  
CT 95 05



13<sup>th</sup> June 1928

tendency of many countries to abandon the Gold Exchange Standard for the Gold Standard continues, the Financial Committee of the League of Nations were now proposing to make suggestions to the Council in September as to what extent and in what way the League might assist in the study and solution of problems connected with undue fluctuations in the purchasing power of gold.

It was possible that the resulting investigation by the League might place Central Banks in a difficult situation and he proposed that, before the Bank considered any suggestions that might be made to them in this matter, they should consult the Reichsbank, the Bank of France, the Federal Reserve Bank and the Bank of Italy with a view, if possible, to concerted action.

With reference to the last and earlier Minutes the question of the appointment of a Director in the room of Sir Osmond Benson was again discussed.

Present.

The Deputy Governor,  
Lord Kvelstoke  
Lord Cullen of Ashbourne  
Mr Trotter  
Sir Charles Addis  
and  
Mr Whitworth  
The Comptroller also  
attended.

Wednesday, the 20<sup>th</sup> June 1928

and agreed

The proceedings of the last Committee were read

The Weekly Statement of Discounts and Advances

granted to Bill Brokers &amp;c was read.

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

Weekly Reports on certain Central Banks were submitted together with the Monthly Report on the Bank Polski.

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

The following

20<sup>th</sup> June 1928

The following were submitted and referred to the Court -

Minute of the Staff Committee recommending appointments.  
Quarterly Report of the Staff Committee on payments made.  
Report of the Staff Committee recommending the election of 16 Probationary Male clerks to the Permanent Staff.

It was agreed to recommend to the Court of Directors that the following be appointed as their representatives on the Advisory Council of Directors and Staff for the ensuing year.

Lord Revelstoke (Chairman)  
Mr Lubbock  
Sir Alan Anderson  
Mr Gladstone  
Mr Walther  
Mr Cattermole

+ (B) +  
N/E

In connection with the amalgamation of the Note Issues it was agreed to recommend to the Court of Directors that the responsibility for the inspection and payment of the Notes (Bankers' parcels &c) hitherto presented for payment direct to the Accountants' Bank Note Office be transferred from that Office to an Office in the Cashier's Department.

Under the proposed new arrangement the Cashier's Department will be responsible for the inspection, cancellation and payment of all Notes, including those hitherto presented direct to the Accountants' Bank Note Office.

The Accountants' Department will be responsible for the verification of all Notes paid and cancelled by the Cashier's Department, for the posting of the Ledgers relating to Notes of £5 and upwards and for the custody and ultimate destruction of all paid Notes.



Present

The Deputy Governor.  
 Lord Revelstoke  
 Lord Cullen of  
 Ashburne.  
 Mr Trotter  
 Sir Alan Anderson  
 Sir Charles Addis  
 and  
 Mr Whitworth  
 The Comptroller also  
 attended.

Wednesday, the 27<sup>th</sup> June, 1928

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.

Weekly Reports on certain Central Banks were  
 submitted together with the Fortnightly Report on the Bank of Italy.

A letter from the Chancellor of the Exchequer  
 applying for Advances <sup>during</sup> for the ensuing quarter was submitted and  
 referred to the Court.

With reference to the Minute of the Committee  
 of Treasury of the 6<sup>th</sup> June with regard to the appointment of a  
 Director in the room of Sir Cosmo Benson, the Committee approved  
 the terms of a Resolution to be submitted to the Court by the  
 Deputy Governor.

Present

The Deputy Governor.  
 Lord Revelstoke  
 Lord Cullen of  
 Ashburne.  
 Mr Trotter  
 Sir Charles Addis  
 Mr Whitworth  
 and  
 Mr Shaw.  
 The Comptroller also  
 attended.

Wednesday, the 4<sup>th</sup> July, 1928

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.

4<sup>th</sup> July 1928

recommended in the Bank Rate.

The Weekly Reports on certain Central Banks were submitted.

A report of the Audit Committee on audits taken by the Audit Department between the 19<sup>th</sup> April and the 21<sup>st</sup> June was submitted and referred to the Court.

It was agreed to recommend to the Court of Directors that the following pensions be granted during pleasure and in accordance with the scale—

To J. W. F. Dalton, Deputy Principal of the Issue Office who is 60 years of age and has completed 41 years service, £563:13:4 a year from the 1<sup>st</sup> October inclusive.

To G. A. Young, a Painter in the Works Department, who will attain the age of 70 on the 15<sup>th</sup> instant, a pension of £110:8:4 a year from the 16<sup>th</sup> July inclusive.

With reference to the Minutes of the 4<sup>th</sup> November 1925 and the 9<sup>th</sup> February 1927, the Deputy Governor informed the Committee that further delay has occurred in the adoption of the plan for setting up a Central Bank in Paraguay and that in the circumstances it had been agreed to continue the Account of the Oficina de Cambios del Paraguay for the present.

1057  
N/E



Present

The Deputy Governor  
 Lord Cullen of Ashbourne  
 Mr Trotter  
 Sir Alan Anderson  
 Sir Charles Addis  
 Mr Whitworth  
 Mr Shaw  
 The Comptroller also  
 attended.

Wednesday the 11<sup>th</sup> July 1928

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.

The Weekly Reports on certain Central Banks were submitted together with the Fortnightly Report on the Bank of Italy.

The Monthly Reports showing the progress in the production of £1 and 10/- Notes were submitted.

It was agreed to recommend to the Board of Directors that -

A H Loft, a Pensioner formerly a Cashier, be allowed at his request to commute £100 of his pension of £600 a year for an immediate payment of £731.12- to enable him to make more adequate provision for his daughter who is wholly dependent on him.

With reference to Minutes of the 2<sup>nd</sup> May last as to participation by the Bank in a proposed Central Bank Credit for Roumanian stabilisation which was being arranged by the Bank of France, the Deputy Governor acquainted the Committee that the Roumanian Government had now made an arrangement in respect of the Roumanian 4½% Gold Loan of 1913 which was satisfactory to the Committee of the Stock Exchange. He laid

before

1326  
 CT. 15.

11<sup>th</sup> July 1928

before the Committee a letter dated the 6<sup>th</sup> July which he had received from M. Moreau inviting the Bank of England to participate in the credit in question together with a letter which he had written in reply accepting the invitation

Present

The Deputy Governor  
Lord Revelstoke  
Lord Bullen of Ashbourne  
Mr Trotter  
Mr Charles Addis  
Mr Shaw

The Comptroller also attended

Wednesday, the 18<sup>th</sup> July 1928

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 -

- (1) Minute of the Staff Committee recommending appointments
- (2) Report of the Staff Committee recommending the election of 7 Probationary Male Clerks to the Permanent Staff.
- (3) Minute of the Committee on St Luke's recommending appointments.

The Committee had before them a letter from Miss R. S. J. Holmes a 2<sup>nd</sup> Grade Typist, tendering her resignation from the service on account of ill-health. Miss Holmes is 43 years of age and has completed 33 years' service. It was agreed to recommend that her resignation be accepted as from the 31<sup>st</sup> August, that she be granted a Pension equal to her salary of £305 a year from the 1<sup>st</sup> to the 30<sup>th</sup> September, inclusive, and thereafter of £440.6/- a year, during pleasure and in accordance with the scale.

Weekly Reports on certain Central Banks were submitted, together with the Monthly Report on the Bank Polski.

An application



18<sup>th</sup> July 1928

1 B 29

An application for a donation to the Durham Castle Preservation Fund was considered and declined.

Present

The Deputy Governor  
 Nora Revelstoke  
 Lord Bullen of Ashbourne  
 Mr. Trotter  
 Sir Charles Addis  
 Mr. Shaw  
 The Comptroller also  
 attended

Wednesday, the 25<sup>th</sup> July, 1928

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 an Allowance of £60 a year in accordance with the scale be granted to Mrs. M. A. M. Ross, widow of Donald Ross, a Pensioner, formerly a Cashier.

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

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

Weekly Reports on certain Central Banks were submitted together with the Fortnightly Report on the Bank of Italy.

The Deputy Governor reported that on the 24<sup>th</sup> instant Mr. Tattersall and Captain Ryan of the Cotton Yarn Association Limited had called upon him (Sir Ernest Harvey and Sir O. E. Niemeyer being present) and that Mr. Tattersall had explained a scheme for the formation of a Corporation (the Lancashire Textile Corporation Limited) for the purpose of amalgamating companies engaged in the cotton trade and had consulted the Bank as to the possibility of raising additional working capital which would probably be required. He had informed Mr. Tattersall that in principle the Bank were in sympathy

with

1 C 60  
 CT 181  
 CT 181 01

with the proposal but while they would wish to be of assistance they could make no suggestion at present as to the means by which additional capital could be provided.

Present

The Deputy Governor  
Lord Kellon of Ashbourne  
Mr Trotter  
Sir Alan Anderson  
Mr Shaw  
The Comptroller also  
attended

Wednesday, the 1<sup>st</sup> August, 1928.

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 Weekly Reports on certain Central Banks were submitted.

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

It was agreed to recommend to the Court of Directors that

S. J. Rickards, Principal of the Dividend Accounts Office, who is 63 years of age and has completed 45 years' service, be granted a Pension of £820 17 11 a year from the 5<sup>th</sup> November inclusive, and that he be allowed to commute £205 4 4 of this Pension for a Cash Payment of ~~£205 4 4~~ £1,703 1 10.

Also that -

H. Tilden, the late Secretary, be allowed to commute £123 6 8 of his Pension for a Cash Payment of £1,200 17 11.



Present

The Deputy Governor  
Mr Trotter  
Mr Whitworth and  
Mr Shaw.  
The Comptroller also  
attended.

Wednesday, the 8<sup>th</sup> August, 1928.

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.

Weekly Reports on certain Central Banks were submitted, together with the fortnightly Report on the Bank of Italy.

Monthly Reports showing the progress in the production of £1 and 10/- Notes were submitted.

It was agreed to recommend to the Board of Directors that Pensions be granted, during pleasure and in accordance with the scale, to the following persons:-

Harry Asple, a Sub-banker, age 61 years, service 43 years - £5 14/- a year, from the 1<sup>st</sup> November, inclusive.

L. W. McMahon, a 2<sup>nd</sup> Class Clerk at the Western Branch, age 60 years, service 41 years - £395 12/- a year, from the 9<sup>th</sup> November, inclusive.

G. J. Allen, Pay clerk at St. Luke's Printing Works, age 64 years, service 29 years - £367 18/- a year for three months to the 8<sup>th</sup> November, inclusive, and thereafter £166 15/- 8 a year.

Wednesday the 15<sup>th</sup> August 1928

Present

The Deputy Governor  
Lord Bulteel of Ashbourne

Mr Trotter

Sir Charles Addis

Mr Whitworth, and

Mr Shaw

The Comptroller also  
attended

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.

The Deputy Governor laid before the Committee cables which had passed between the Bank and the Federal Reserve Bank of New York as to the question of preventing gold from going to America.

CT 99  
CT 95

It was agreed to recommend to the Court of Directors that a Pension of £983:6:8 a year be granted during pleasure and in accordance with the scale to J. B. M. Dalrymple Hay, Principal of the Bill Office, as from the 17<sup>th</sup> August when he attains the age of 65 years and that he be allowed to commute £243:6:8 of his Pension for a Cash Payment of £1,959:16:2.

A Report of the Committee on Advances and Discounts recommending the re opening of a Discount Account was submitted and referred to the Court.

The Monthly Report of the Committee on Advances and Discounts was submitted together with Weekly Reports on certain Central Banks.



Wednesday, the 22<sup>nd</sup> August 1928

Present

The Deputy Governor  
Lord Cullen of Ashburne  
Mr Trotter  
Mr Whitworth  
and

Mr Shaw  
The Comptroller also  
attended

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.

The Committee had before them a letter from J. W. C. Goodfellow, a 1st class clerk in the Dundend Pay Office, asking to be allowed to tender his resignation as from the 15th November next when he will complete 40 years' service.

It was agreed to recommend to the Court of Directors that Goodfellow's resignation be accepted as from that date and that he be granted during pleasure and in accordance with the scale a Pension of £402 a year from the 16th November inclusive, of which he proposes to commute £100 for a cash payment of £878.11s.—

A Minute of the Staff Committee recommending appointments &c. was submitted and referred to the Court together with a Report of the Staff Committee recommending the election of 14 Probationary Clerks to the Permanent Staff.

Weekly Reports on certain Central Banks were submitted together with the Fortnightly Report on the Bank of Italy.

Present

The Deputy Governor  
Lord Culling of Ashbourne

Mr Trotter

Mr Whitworth

and  
Mr Shaw

The Comptroller also  
attended

Wednesday, the 29<sup>th</sup> August 1928

The proceedings of the last  
Committee were read and agreed.

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

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

1256  
Establs.

It was agreed to grant the usual  
scale Allowance of £18 a year to Mrs Emma Fortescue,  
widow of L. H. F. Fortescue, a Porter.

Weekly Reports on certain Central  
Banks were submitted together with the Monthly Report  
on the Bank Polski.

The Deputy Governor informed the  
Committee that the estimated profits for the half year  
ending the 31<sup>st</sup> August, 1928, after providing for a Dividend  
of 6% less Income Tax, amounted to £1,615,000.

It was proposed to deal with this  
surplus as follows, viz:-

|                                                                                    | £                 |
|------------------------------------------------------------------------------------|-------------------|
| Suspense Account - Provision for Income Tax                                        | 450 000           |
| Rebuilding of Premises                                                             | 1,000 000         |
| In writing down Securities and writing off<br>certain amounts expended on premises | 140,784           |
| Suspense Account No. 1                                                             | 24,216            |
|                                                                                    | <u>£1,615,000</u> |



Present

The Governor  
 The Deputy Governor  
 Sir Alan Anderson  
 Sir Charles Addis  
 and  
 Mr Whitworth  
 The Comptroller also  
 attended.

Wednesday, the 5<sup>th</sup> September, 1928

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.

Weekly Reports on certain Central Banks were submitted together with the Fortnightly Report on the Bank of Italy.

Revised regulations for taking in the Out Cash were submitted and recommended to the Court of Directors for approval.

It was agreed to recommend that S. J. Denney, a Gate Porter, who will attain the age of 65 years on the 13<sup>th</sup> September, be granted a Pension of £139.8.4 a year, during pleasure and in accordance with the scale, from the 11<sup>th</sup> September inclusive.

The Governor informed the Committee that, as at present provisionally arranged, the amalgamation of Note Issues would take place on the 15<sup>th</sup> November. This would entail certain formal changes in the statutory form of the Weekly Account and he proposed that the Bank should consider the question of publishing at the same time fuller information than is at present contained in the Account.

CT 84  
 CT 107

Present

The Governor.  
The Deputy Governor  
Lord Buller of Ashbourne  
Mr Trotter  
Sir Ham Anderson  
and  
Mr Whitworth.

Wednesday, the 12<sup>th</sup> September 1928

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.

Weekly Reports on certain Central Banks were submitted together with the Monthly Report of the progress in production of £1 and 10/- Notes.

H-35  
Estab.

It was agreed that an Allowance of £60 a year, in accordance with the scale, be granted to Mrs E. A. Hamilton, widow of James Hamilton, a Pensioner, formerly a Cashier.

The Half-yearly Accounts of the St. Luke's Printing Works and the Works Department 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 5<sup>th</sup> October next of 10 percent less Income Tax.

The Deputy Governor reported that, consequent upon the acceptance by the Bank of the London Agency of the Irish Free State Currency Commission, the following Accounts had been opened in the Private Drawing

Office —



12<sup>th</sup> September 1928 Office

Currency Commission (Legal Tender Note Fund) Account,  
 Currency Commission (General Fund) Account.

With reference to last week's Minutes as to the question of publishing fuller information in the Weekly Account after the amalgamation of Note Issues, the Governor submitted to the Committee a specimen of the Weekly Account as it would appear if his proposals were adopted and after discussion decision was deferred.

Present

The Governor  
 The Deputy Governor  
 Lord Gillingham  
 Mr Trotter  
 Sir Alan Anderson  
 Sir Charles Addis  
 Mr Whitworth

Wednesday the 19<sup>th</sup> September 1928

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.

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

The Quarterly Report of the Staff Committee and a Minute of that Committee recommending appointments &c were submitted and referred to the Court.

It was agreed to recommend to the Court of Directors that Pensions be granted during pleasure and in accordance with the scale to the following persons -

Catesby Paget, Principal of the Discount Office, £2068  
 a year from the 1<sup>st</sup> October inclusive.  
 J. M. Troughton a Sub-Cashier, £566:13:4 a year from the  
 13<sup>th</sup> December inclusive.

C. E. Vickers

51  
19<sup>th</sup> September 1928

C E Tickers, a Superintendent in the Power of Attorney  
Office £480 a year from the 15<sup>th</sup> December inclusive  
Charles Fountain, a Machinist at St Lukes Printing Works  
£148:3: - a year from the 30<sup>th</sup> September inclusive

The Weekly Reports on certain Central Banks were submitted together with the Fortnightly Report on the Bank of Italy.

With reference to the last and earlier Minutes the Committee further considered the former suggestions for publishing certain details along with the Weekly Statement after the amalgamation of Note Issues.

The Governor acquainted the Committee of the following matters:-

1 With reference to the Half-Yearly Accounts which were submitted to the Court last week a Member of the Court had urged the writing down of the Bank's holdings in connection with Messrs Armstrong Whitworth & Co. (against which a special Reserve had been set aside) and the sale of all foreign Government Securities held by the Bank. It was agreed to make no change at the present time.

LC 60  
CT 181-01

2 With reference to Minutes of the 25<sup>th</sup> July last as to the proposed formation of the Lancashire Textile Corporation Ltd for the purpose of amalgamating Companies engaged in the cotton trade, he considered it to be necessary for the Bank to support and subscribe to a satisfactory scheme, partly to help the cotton industry, partly to keep the question away from politics, but more especially to relieve certain of the Banks from a dangerous position. The growing advances of these Banks to the cotton industry were already unduly large and unless they obtained relief there was danger that the Bank might be compelled to assist them.

CT 6

3 The Bank Polski with the approval of Mr Dewey has applied for a renewal of the Central Bank Credit. The Federal Reserve Bank and the Bank of France have agreed to ask the



19<sup>th</sup> September 1928

52

participants to continue for one more year and the Bank of England will agree to this proposal. He regretted this application which shows the uncertainty of the Polish position and mentality and perhaps abuses for the first time the object of such Central Bank co-operation along with loans issued by Private Bankers.

CT 70.03

It Sir Basil Blackett would shortly return to this country from India: his Government engagements were at an end; he was free to accept directorships and was likely to receive an invitation to join the Board of a Joint Stock Bank. He thought, however, that, if invited, Sir Basil Blackett would be willing to become a Director of the Bank of England. He had no knowledge of Sir Basil's parliamentary or other intentions but the question must be decided within the next few weeks and he asked the Committee to consider whether they would recommend the Court to invite Sir Basil Blackett to become a candidate for an early vacancy.

The names of other possible candidates were discussed.

~~1336~~  
N/E  
CT 30.

5 Under the War Debt Agreement of January 1926, the first instalment of gold, viz. £125,000 had been withdrawn by Italy. He reminded the Committee that, in connection with this settlement, the advice of the Bank had not been sought, and that a special agreement to provide gold over a long series of years seemed unfortunate and, in a free gold market, unnecessary.

The Governor read a memorandum and reminded the Committee of his suggestion for solving the question of succession to the Chair, which was approved by the Committee on the 6<sup>th</sup> June and submitted to the Court on the following day, and of the Committee's subsequent recommendation of the 27<sup>th</sup> June on the same lines.

He pointed out that the ballot on this recommendation showed the opinion of the Court to be so equally divided as to make its adoption impossible and Sir Ernest Harvey strongly held this view. As, according to precedent, the question of succession must be settled by the time of the Annual Audit he invited Lord Cullen - the only Ex Governor - to make a suggestion next week and he asked the Committee to consider without delay what recommendation they proposed to make.

Present

The Governor  
 The Deputy Governor  
 Lord Revelstoke  
 Lord Buller of  
 Ashbourne  
 Mr Trotter  
 Sir Alan Anderson  
 Sir Charles Addis  
 Mr Whitehoor

Wednesday, the 26<sup>th</sup> September 1928

The proceedings of the last Committee were read, amended and agreed.

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

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

The Governor informed the Committee that the process of transferring Dollar Securities to the Issue Department against long-dated Government Securities was being continued.

Weekly Reports on certain Central Banks were submitted together with the Monthly Report on the Bank Polski.

The Governor acquainted the Committee of the following matters -

- 1 For the purpose of information he proposed to make arrangements for an experimental and secret shipment of gold to New York.
- 2 At a recent interview with the Governor of the Bank of Ireland, he had agreed that, if so requested, a loan for the Irish Free State of £2½ millions might be issued by the Bank of England in London and a loan for a similar amount issued by the Bank of Ireland in Dublin.
- 3 A letter had been received from Messrs. Cuthbertson, Hood & Co. protesting that the British Issue of French Rentes was not negotiable in Paris. This appeared to be contrary to the implicit terms of the prospectus, and he had asked Sir Otto Niemeyer to make representations in the first instance to the French Financial Agent in London.

1346  
 N/E  
 CT 40



126  
CT 181  
CT 151.01

11 With reference to the last and earlier Minutes he had received a visit from Mr. S. S. Hammersley, M.P., who presented a scheme put forward by a Committee of the Federation of Master Cotton Spinners' Associations for the amalgamation of cotton spinning companies; this scheme was supplementary to and not competitive with the formation of the Lancashire Textile Corporation Ltd already proposed by Sir Kenneth Stewart; both will be submitted to Sir William Plender and if found to be satisfactory he considered they should receive the support of the Bank.

CT 70.03

With reference to the last Minutes the Committee considered the question of inviting Sir Basil Blackett to become a Director of the Bank and it was agreed to recommend to the Court that, if willing, his name be put forward to fill an early vacancy provided that he decided to reside in this country in the future and had no intention of entering the House of Commons.

The Committee thought it desirable that other candidates should be available with Sir Basil Blackett and of several names suggested by the Governor, Sir Andrew Duncan and Mr. Archibald Jamieson were considered to be the most suitable. It was agreed to inform the Court accordingly.

The Committee again considered the question of succession to the Chair. Lord Cullen, in response to the Governor's invitation of last week to make a suggestion, proposed that Mr Lubbock be invited to serve as Governor in 1929 and Sir Alan Anderson as Deputy Governor, and that if this arrangement should prove impracticable Sir Alan Anderson be invited to serve as Governor and Mr Wallace as Deputy; Mr Lubbock, however, had already declined to serve and definitely confirmed his decision, and it was agreed that Mr Wallace was not available owing to ill-health. Lord Cullen was unable to make any further suggestion.

The Committee, after discussing the names of certain existing Directors for the office of Deputy Governor in 1929 deferred further consideration until Tuesday, the 2<sup>nd</sup> October.

Present

The Governor  
 The Deputy Governor  
 Lord Revelstoke  
 Lord Cullen of Ashburne  
 Mr Trotter  
 Sir Alan Anderson  
 and  
 Mr Whitworth

Tuesday, the 2<sup>nd</sup> October 1928

The proceedings of the last Committee were read, amended and agreed.

The Committee again discussed the question of succession to the Chairs.

It was agreed to report to the Court that the Committee have given frequent and careful consideration to the Resolution in regard to the selection of Governors for the ensuing year which was passed by a narrow majority of the Court on the 5<sup>th</sup> July last and that, no practicable alternative having been found, the said Resolution will be carried into effect in due course in accordance with the normal procedure.

Present

The Governor  
 The Deputy Governor  
 Lord Revelstoke  
 Lord Cullen of Ashburne  
 Mr Trotter  
 Sir Alan Anderson  
 and  
 Mr Whitworth

Wednesday, the 3<sup>rd</sup> October 1928

The proceedings of the last Committee were read and confirmed; it was agreed that the Report in regard to the selection of Governors be submitted to the Court next week.

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 that an Allowance of £41 a year, in accordance with the scale, be granted to Mrs G. H. Steel, widow of Rowland Steel, a 3<sup>rd</sup> class clerk in the Security Paper Store.

The Committee had before them a letter from C. G. G. Stewart, a 1<sup>st</sup> Class Clerk in the Bill Office, in which he asked to be allowed to retire on a Pension on the 31<sup>st</sup> December next. Stewart is 60 years old and has completed 44 years service.

1841  
 Establs.



3<sup>rd</sup> October 1928

It was agreed to recommend that Stewart's resignation be accepted and that he be granted a Pension of £410:18:8 a year, during pleasure and in accordance with the scale, from the 1<sup>st</sup> January 1929, inclusive.

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

The Deputy Governor reported that he had authorised the employment on probation, for a period of one year, of L. E. Hubbard, aged 45, for work in the Central Banking Section, with the salary of £500 a year.

Weekly Reports on certain Central Banks were submitted together with the fortnightly Report on the Bank of Italy.

The Governor acquainted the Committee of the following matters:-

1. In view of the official position held by him in connection with *The Times* - referred to in the Minutes of the 13<sup>th</sup> February 1924 - he had received an informal invitation through Mr Layton to become one of four or five Trustees for the 'Economist' who are in course of appointment; the duties would apparently include the appointment of the Editor and he did not consider that such an invitation should be accepted. The Committee agreed.

2. With reference to the Minute of the 23<sup>rd</sup> February 1927, the Discount Houses whose contingent liabilities were unduly large had from time to time been informed that in granting them facilities such liabilities would be taken into account by charging them an increased rate for accommodation over a certain amount; most of the Brokers in question appeared to be adjusting their figures accordingly.

3. At a recent interview with Mr Cairne he had agreed that in all the circumstances it would be wise for Lloyds Bank to accept a cash offer of £100,000 for their interest in the Graham connection if such offer were forthcoming and he read to the Committee a letter from Mr Cairne to Sir William Leese recording the arrangement.

CT 145 + B 43

CT 71.01

B 40  
CT. 113B 67  
CT 91.



3<sup>rd</sup> October 1928HB 47  
CT 40

4. He had sought the views of the Treasury in regard to the proposed issue of loans in this country for Indo-China and the English Michelin Company guaranteed by the French Michelin Company and he read to the Committee a letter from Sir Warren Fisher in which he agreed that there was no objection to the loan for the Michelin Company but he asserted the Chancellor's disapproval of the issue of French loans in this country pending ratification of the Debt Agreement by the French Government. He, the Governor, had for long been opposed to maintaining the embargo but in the circumstances he considered it advisable to hold up the loan for Indo-China and read to the Committee a letter asking that the embargo be removed.

HB 39  
Office File P 47

5. He had received a letter from Mr Griswold of Baltimore stating that a new President of the John Hopkins University was about to be appointed and that the name of Mr Stewart was under consideration; Mr Griswold asked for his opinion of Mr Stewart's qualifications for such an office and he read to the Committee a copy of his reply.

HB 38  
CT 45  
CT 118

6. Dr Schacht had paid a visit to the Bank and he outlined the many points that had been discussed; they were in complete agreement that close contact should be maintained between the Reichsbank, the Bank of France, the Bank of Italy and ourselves and that co-operation with other European Central Banks should be encouraged by frequent visits and correspondence; further, that the principle of cooperation should involve a knowledge of policy and practice and with this object in view he had arranged for Mr Siepmann to visit Berlin on the 8<sup>th</sup> October and for Mr Stewart to follow him; he intended that Mr Siepmann should in future make a more regular practice of visiting Berlin and Paris.

HB 37  
SEC. 10.  
CT 74

7. The Liberal and Labour parties had at one time or another announced general plans for altering the constitution of the Bank and in several quarters criticism had been hinted to him as to the lack of publicity of the Bank's policy. While he did not propose that any action be taken he wished to call the attention of the Committee to these points.

Present

The Governor  
 The Deputy Governor  
 Lord Revelstoke  
 Lord Bullen of  
 Ashbourne  
 Mr Trotter  
 Sir Alan Anderson  
 Sir Charles Addis  
 Mr Whitworth  
 The Comptroller also  
 attended.

Wednesday the 10<sup>th</sup> October 1928.

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.

~~1345~~  
 27.44  
 The Governor informed the Committee that in view of the shipments of gold from London to New York, he had sold about \$7,500,000, and intended to sell dollars to the extent of any further gold shipped from London to New York, and he read to the Committee a cablegram to this effect to Mr. Harrison.

Weekly Reports on certain Central Banks were submitted together with the Monthly Report of the progress in production of £1 and 10/- Bank Notes.

~~1342~~  
 Establs  
 It was agreed that a Compassionate Allowance of £1 a week be granted to Mrs M. A. Peacocke the widow of G. W. Peacocke, formerly a 3<sup>rd</sup> class clerk in the Public Drawing Office.

The Deputy Governor explained the present position of the Constantinople Quays Company, which was in negotiation with the Turkish Government in order to settle various outstanding questions; and the Committee agreed that if it were necessary to issue more capital in order to obtain a satisfactory settlement, the Bank would be willing, with the approval of the Foreign Office, to subscribe, say, £60,000, provided that the Ottoman Bank subscribed a similar amount.

The Governor acquainted the Committee of the following matters:—



10<sup>th</sup> October 1928

CT 147 | 1351

CT 2.

CT 2. 102-21  
CT 60-10 1044

(1) He proposed to grant an Advance of £1000,000 to Watney, Combe, Reid & Co Ltd., customers of the Bank.

(2) The Loan for Bulgaria, authorised by the League of Nations, was likely to be issued in the near future and he proposed as usual to support the Loan on the Market.

(3) The Governor of the National Bank of Bulgaria had proposed to Mr. Siepmann that M. Boziloff, the Deputy Governor, should pay a visit to the Bank to study the principles of Central Banking; he had also suggested the possibility of inviting the Bank of England to supply one of their Staff as private Secretary to M. Bharron for a period of one year. He welcomed these suggestions.

With reference to previous Minutes the Committee again considered the question of publishing fuller information in the Weekly Statement after the amalgamation of the Note Issues; it was agreed that a specimen of the form embodying the suggested alterations be submitted to the Committee next week.

### Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Ashbourne  
Mr Trotter  
Sir Alan Anderson  
and  
Mr Whitworth  
The Comptroller also  
attended.

### Wednesday the 17<sup>th</sup> October 1928

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.

The Governor with great regret informed the Committee of the death on the 16<sup>th</sup> instant



17<sup>th</sup> October 1928

of Mr Benjamin Strong and it was agreed to recommend that<sup>60</sup>  
in this very exceptional case a Resolution of sympathy be passed by  
the Court and a copy of the Resolution forwarded to the Federal  
Reserve Bank of New York.

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

A Minute of the Committee on Advances  
and Discounts recommending that facilities be granted to certain  
customers in regard to Advances &c was submitted and referred to  
the Court.

It was agreed to recommend to the  
Court that a Pension of £430 a year be granted during  
pleasure and in accordance with the scale to E J Goddington,  
a 2<sup>nd</sup> class clerk in the 5% War Stock Office as from the 20<sup>th</sup>  
October when he attains the age of 65 years and that he be  
allowed to commute £30 of his pension for a cash payment  
of £241.12.5

Weekly Reports on certain Central  
Banks were submitted together with the Fortnightly Report on  
the Bank of Italy.

The Deputy Governor reported to the  
Committee as follows:-

(1) At the request of Messrs. Fowler, Still & Keeling, customers of  
the Law Courts Branch, a temporary Drawing Account had been  
opened at that Branch in the joint names of two Belgian  
Officials for the purpose of paying over, under an Order of Court,  
certain monies due in respect of the Estate in England of a  
foreign subject.

(2) The Governor had been invited by the Chancellor of the  
Exchequer to become one of three Trustees of the sum of £500,000,  
given to the Nation by Lord Inchcape in memory of his daughter,  
the Hon. Elsie Mackay, the other Trustees being the Chancellor of  
the Exchequer and the Comptroller of the National Debt Office,  
and it was agreed to recommend to the Court that the Governor  
be authorised

£ 1350  
CT 71.02

Note:—  
These, and all  
papers relating  
to the Trust, are  
in the C.C.O.  
files

61  
17<sup>th</sup> October 1928

be authorised to accept the invitation.

H 366

Office File  
P 37

CT 135

(3) Mr. E. J. Hargraves had written to the Governor asking to be allowed to propose the Bank of England as Members of the Federation of British Industries and emphasising the facilities enjoyed by the Federation for making representations to Cabinet Ministers; the Committee agreed that it would be inadvisable for the Bank to consent to the proposal.

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

H 347

CT 40

(1) With reference to the Minute of the 3<sup>rd</sup> October on the subject of the issue of French Loans in this Country he read to the Committee a letter from the Treasury in which it was stated that it was no longer necessary, on political grounds, to discourage French borrowing in London.

H 346

N/E

CT 40

(2) With reference to the Minute of the 26<sup>th</sup> September he read to the Committee a letter from Messrs. Guthrie & Co. stating that dealings in the British Issue of French Rentes were now being allowed on the Paris Bourse.

H 348

CT 17

(3) Senor Bernis, the Secretary of the <sup>Banking</sup> Supreme Council in Spain, had paid a visit to the Bank and had discussed the position of the Bank of Spain with Mr. Siepmann; he explained the difficulty of stabilising their currency while the Supreme Banking Council were in conflict with the Committee of Control for Foreign Exchange; he was anxious to establish direct contact between the Bank of Spain and the Bank of England and he outlined the steps he hoped to take with this object in view.

(4) Sir Otto Niemeyer had paid a visit to Amsterdam and had found everywhere an entirely satisfactory desire to maintain regular and close co-operation with Central Banks.

CT 84

CT 107

With reference to previous Minutes, the Committee again discussed the question of publishing fuller information in the Weekly Statement after the amalgamation of the Note Issues and a memorandum was approved shewing the proposed form of supplementary statement to be issued.



17<sup>th</sup> October 1928

in addition to the Weekly Return required by Statute and explaining the methods to be adopted in connection with the holdings of Foreign Currencies in the Issue and Banking Departments.

It was agreed to recommend to the Court that subject to the consent of the Bankers the form of Supplementary Statement be adopted.

Wednesday the 21<sup>st</sup> October 1928

Present

The Governor

The Deputy Governor

Lord Revelstoke

Lord Cullen of Ashburne

Mr Trotter

Sir Alan Anderson

Sir Charles Addis and

Mr Whitworth

The Comptroller also attended

read and agreed.

The proceedings of the last Committee were

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 Miss M E Allwork, a Second Grade Typist, who will attain the age of 50 years on the 20<sup>th</sup> instant be granted a Pension of £174 a year during pleasure and in accordance with the scale as from the 27<sup>th</sup> October inclusive.

The following were submitted and referred to the Court -

A Minute of the Staff Committee recommending appointments etc.

A Report of the Staff Committee recommending the election of 18 Probationary Male Clerks to the Permanent Staff.

A Minute of the Committee on St Luke's recommending appointments etc.

Weekly Reports on certain Central Banks were submitted together with the Monthly Report on the Bank Polski.

It was agreed that the Bank should open an account



24<sup>th</sup> October 1928

CT 8. 1349

1360  
CT 181 01

an account with the Norges Bank with the sum of £5000.

With reference to Minutes of the 19<sup>th</sup> and 26<sup>th</sup> September, the Committee agreed that in an attempt to re-establish the American Section of the Textile Industry an issue of debentures may, if necessary, be made by the Bank on behalf of the Lancashire Textile Corporation; this should be regarded as a precaution and defence against a breakdown of credit in Lancashire or against the need for H.M. Government to provide cash and might possibly involve the Bank in some ultimate loss.

1357  
CT 74  
~~off file~~

With reference to Minutes of the 3<sup>rd</sup> October when the Governor informed the Committee of criticisms as to inter alia the lack of publicity of the Bank's policy, the Committee agreed to recommend to the Court that Mr Stewart be invited to contribute over his initials occasional articles for publication in the "Old Lady", such articles to be confined to questions of fact and policy which were no longer urgent and to statements which would not hamper the freedom of the Bank.

The Governor acquainted the Committee of the following matters -

1326  
CT 15

(1) With reference to Minutes of the 11<sup>th</sup> July last agreeing that the Bank should accept an invitation to participate in a Central Bank Credit for Roumanian Stabilisation which was being arranged by the Bank of France, the Bank had now confirmed participation to the extent of \$4,500,000.

(2) He proposed later to ask the Committee to recommend that a Gift be made to the Federal Reserve Bank of New York in memory of the Governorship of Benjamin Strong.

1338  
CT 118

CT 8

(3) Following on the Minutes of the 3<sup>rd</sup> October as to contact with the three larger Central Banks of Europe, Dr Pospisil, the Governor of the National Bank of Czechoslovakia, and M. Rygg, President of the Norges Bank, visited the Bank last week and both in principle agreed to establish and

14<sup>th</sup> October 1928 maintain contact with the Bank of England by regular and periodical visits in both directions. This implies a definite and permanent programme for visits among the smaller Central Banks of Europe requiring increased personnel in the Bank with knowledge of languages and of the principle and practice of Central Banking in order that, so far as possible, common policy, practice and support may be developed throughout Europe.

Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Ashbourne  
Sir Alan Anderson  
Sir Charles Addison  
and  
Mr Whitworth  
The Comptroller also  
attended

Wednesday the 31<sup>st</sup> October 1928

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.

Weekly Reports on certain Central Banks were  
submitted together with the Fortnightly Report on the Bank of Italy.

With reference to Minutes of the 15<sup>th</sup> February last  
it was agreed to recommend to the Court that Sir O. E. Niemeyer be  
invited to join the Board of the newly constituted Agricultural Mortgage  
Corporation Ltd.

It was agreed to recommend to the Court of  
Directors that an invitation be extended to Sir Andrew Duncan to  
allow his name to be submitted to the Proprietors to fill an early  
vacancy on the Court.

Following on the decision of the Court of the 25<sup>th</sup>  
October that effect should be given to the Order of Court of the 5<sup>th</sup> July last,  
it was agreed by arrangement with Sir Ernest Harcourt, the Comptroller  
of the Bank, to recommend that he should retire on the 6<sup>th</sup> November.

It was

+ 21  
CT 177



31<sup>st</sup> October 1928

It was also agreed to recommend that he be granted during pleasure from the 7<sup>th</sup> November inclusive a Pension equal to his full salary of £7,000 until he attains the age of 65 and thereafter of £4,386:13:4 in accordance with the scale; also that he be invited to continue to assist the Governors and that while so doing his signature be accepted in lieu of that of one of the Governors.

It was further agreed to recommend that a General Court of Proprietors be held at the Bank on the 7<sup>th</sup> November for the election of a Director for the remainder of the year in the room of the late Mr. G. F. Arbutnot; that Sir E. M. Harway be recommended to the Proprietors for election and that notice by public advertisement be given thereof.

The Committee approved the terms of the notice which it was proposed to issue at once to the Press in this connection.

With reference to the forthcoming amalgamation of Note Issues—

(1) The Governor laid before the Committee a copy of a letter he had written to the Chairman of the Committee, clearing Banks, on the subject of the proposed separation of Bankers' Deposits in the Weekly Statement.

CT 84.  
CT. 107.

(2) Copies of a notice which it is proposed to issue to the Press two days before the appointed day together with a list of the persons to whom the Bank propose to present £1 and 10/- Notes were submitted, and consideration thereof was deferred until next week.

CT 84.04

(3) A letter from the Treasury was read stating that an Order in Council as to the appointed day will be published in the London Gazette on Friday, the 2<sup>nd</sup> November.

(4) The Governor referred to certain adjustments in the accounts which would be desirable in connection with the amalgamation of the Issues on November 22<sup>nd</sup>. He stated that, in view of the decision to transfer further dollars to the Issue Department in exchange for Government Securities, it was proposed to decrease the Reserve held against dollars in the Banking Department and to increase correspondingly that held against Government Securities, and to augment the latter Reserve further by the transfer thereto of a small

31<sup>st</sup> October 1928 sum from the amount standing to the credit of "Suspense Account No. 1."

The Governor acquainted the Committee of the following matters:—

1353

CT 95

(1) There have been very heavy demands for gold for Germany and to a lesser extent for the United States, while the supply of gold in the Market has been on a small scale. The would-be purchasers, wishing to acquire gold but not wishing to withdraw it from the Bank, have even offered to pay at  $84\frac{5}{16}$  fine for market gold which is slightly above the equivalent of the Bank's statutory selling price. He had agreed with Messrs Rothschilds that, while they should not publicly quote the price of gold above  $84\frac{1}{2}$  fine, there is no reason why they should not accept on special occasions a slightly higher price for shipment to the Continent.

CT 50 03

(2) He had agreed, in consultation with Sir Charles Addis, to carry out the exchange of securities on behalf of the various Cable Companies which will result from their merger with Marconi's Wireless Telegraph Company Limited.

(3) With regard to a suggested issue in London, he had stated to an enquirer that no public issue expressed solely in Reichsmarks, Dollars or any other foreign currency should be undertaken at the present time.

CT 118

(4) With reference to last week's Minutes as to the development of a common policy and practice among Central Banks throughout Europe, he had had a visit from M. van Zeeland, a Director of the National Bank of Belgium, who had expressed the adherence of his Bank to this policy.

1351

CT 147

(5) He laid before the Committee a letter embodying the terms offered by the Bank to Messrs Watney, Combe, Reid & Co. Ltd for the loan of £1,000,000 sanctioned by the Committee at their previous meeting and stated that these terms had been declined.

(6) It is possible that, at the request of Sir O. E. Niemeyer and Mr Lepmann, he will shortly ask the Committee to recommend to the Court the engagement of Mr Francis Rodd who has a thorough knowledge of French, German and Italian.

(7) He



31<sup>st</sup> October 1928

H 52

CT. 71

(7) He had received an invitation to attend a Meeting at the Mansion House on the 14<sup>th</sup> November called by the National Association of Merchants and Manufacturers for the purpose of supporting the Resolutions of the Geneva Economic Conference. The Committee considered that it would be difficult if not impossible entirely to exclude questions connected with party politics and were therefore of opinion that it would be inadvisable for the Governor to be present.

The Governor asked the Committee to consider the following questions which he would bring up again next week -

(1) In view of complaints by certain Members of the Court as to the lack of information, he proposed that the Secretary should select each week from past agendas of the Committee of Treasury such items as appear suitable and interesting in order that they may be communicated by the Governor to the Court.

CT. 72

H 4

CT. 71 01

(2) In August 1924 the Court agreed that the Governor of the Bank should be a Member of a Committee then being established with power to veto the transfer of the controlling shares in the "Times" Newspaper and he now sought advice as to what action, if any, he should take in connection with the fact that two of the Directors of the Times Publishing Company were members of financial Houses; an arrangement which he considered to be undesirable and likely to hamper the freedom of the paper in questions of financial fact and criticism.

Office File P52

With reference to Minutes of the 3<sup>rd</sup> March 1926 and earlier as to fees to be paid to Mr Bark, the Managing Director of the Anglo-International Bank, the Governor laid before the Committee a note of a conversation he had had with Mr Bark on the 13<sup>th</sup> September last and stated that the existing arrangement would cease at the end of this year. In agreement with the Chairman of the Anglo-International Bank and in view of the importance to the Bank of England of Mr Bark's services as a means towards the prosperity and success of the Anglo-International Bank, he proposed that the Bank should pay Mr. Bark a fee for six further years, 1929/34, but that this fee

31<sup>st</sup> October 1928

should be on a declining scale, say two years at £3,000, two years at £2,000 and two years at £1,500; that in order to assist Mr. Park in a present difficulty, the sum of £7,000 should be advanced to him now, to be repaid by deduction from his annual fee; that this arrangement shall be subject to Mr. Park agreeing that during this period—

He will contract no debts or engagements, give no guarantees and will undertake no work except with the sanction of the Bank;

and shall continue only so long as Mr. Park remains with the Anglo-International Bank.

Present

The Governor.  
The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Aldbrough  
Sir Alan Anderson  
Sir Charles Addis  
Mr Whitworth  
and  
Mr Shaw  
Sir Ernest Harvey  
attended by invitation

Wednesday, the 7<sup>th</sup> November 1928

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.

Weekly Reports on certain Central Banks were submitted.

It was agreed to grant a donation of £50 to the Society of Antiquaries, towards the maintenance of a skilled person during the next three years to examine such portions of Roman London as are from time to time unearthed during the present period of general rebuilding in the city, and to renew the Bank's subscription of £21 to the Bank of England Rifle Club.

The Committee had before them a letter from A. E. Gunningham, an Assistant Principal in the In Tellers' Office in which he tendered his resignation from the service of the Bank on account of ill-health.

Gunningham

1B54

Historical Records

CT67.05 1B55



7<sup>th</sup> November 1928

Gunningham is 57 years of age and has completed 27 years' service.

It was agreed to recommend that his resignation be accepted and that he be granted a Pension equal to full salary to the 28<sup>th</sup> February next and thereafter of £448 a year during pleasure and in accordance with the scale.

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

The Monthly Statement showing the progress in production of £1 and 10/- Notes was submitted and approved.

With reference to the following matters which were considered at the last Meeting, it was agreed -

CT 84.04 That the list of persons to whom the Bank propose to present £1 and 10/- Notes and the terms of the notice to the Press as to the new Notes be referred to Mr Whitworth.

CT. 72. That the Governor, as a tentative measure, be requested to acquaint the Court with such of the matters discussed by the Committee of Treasury as may seem suitable and interesting.

1641  
CT. 71.01 Consideration of the question as to what action, if any, the Governor should take as a Trustee of the "Times", in view of the fact that two of the Directors of the Times Publishing Company were members of Financial Houses and that in the general interest independent financial information and criticism was essential, was again deferred.

The Governor laid before the Committee a memorandum by the First Auditor showing the costing results of the Accounts of Central Banks for three years to the 29<sup>th</sup> February last.

It was agreed to recommend to the Court that in connection with the amalgamation of Note Issues certain

7<sup>th</sup> November 1928

changes be made in the Bank Notes of large denominations printed for use within the Bank, and that the issue of £200 Notes be discontinued.

The question of establishing a supplementary Pension Fund for the benefit of the Advisers to the Bank and others who may now or in the future hold similar positions, but do not come within the provisions of the Pension Scheme for the Clerical Staff, was considered and decision was deferred until next week.

Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Ardur  
Sir Alan Anderson  
Sir Charles Addis  
Mr Whitworth  
Mr Shaw  
Sir Ernest Harvey  
attended by invitation

Wednesday, the 14<sup>th</sup> November, 1928

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.

In this connection the Governor informed the Committee -

(1) That by the end of the year the Note circulation would probably increase by some 15 millions and there might also be withdrawals of gold to the extent of some 10 millions. It was therefore necessary for them to begin now to consider the position so that they might decide what action, if any, should be taken as to the Bank Rate.

(2) That the question of the maintenance of stable prices in face of the possibility of a shortage of gold is now being actively discussed especially by Sir Jonah Stamps in the Press and elsewhere; the intentions of the League as to the steps proposed by Sir Henry Strakosch to obtain consideration of this question have not yet been made known, but he begged the Committee to begin at once to consider the best means of giving effect to the Minute of the 13<sup>th</sup> June last as to the possibility of concerted action with the Reichsbank, the Bank of France, the Federal Reserve Bank and the Bank of Italy

CT 99

1299  
CT 9505



14<sup>th</sup> November 1928 Bank of Italy.

Weekly Statements on certain Central Banks were submitted together with the fortnightly report on the Bank of Italy.

CT 84.04

With reference to the last Minutes Mr Whitworth submitted revised lists of persons to whom it is proposed to send specimens of the new £1 and 10/- Notes.

The Governor informed the Committee that according to information received from Mr Brand Sir Robert Kindersley during his recent illness had become a Director of the French and Foreign Investment Company as and when formed. This had come about almost without his knowledge and certainly without his definite consent and it was agreed, in the circumstances that the permission of the Court be obtained for Sir Robert to join this Board.

The Governor acquainted the Committee of the following matters -

~~1856~~

CT 107

1. At a recent Meeting of the Bankers, Mr McKenna had stated that on Wednesdays, when the Weekly Account is made up, the Bankers' Deposits were generally lower and the Public Deposits higher than on the other days of the week, and had suggested that a statement of the average of the six days would be more satisfactory, but an examination of the figures shewed that his statement was not correct.

CT 84.  
CT 77

2 With reference to Minutes of the 18<sup>th</sup> April last, arrangements are being made under which, from the amalgamation of the Note Issues on the 22<sup>nd</sup> instant inclusive, all purchases and sales of Securities carried out by Messrs Mullens, Marshall, Steer, Lawford and Company under instructions from the Bank of England will be effected at the following rates of commission in all transactions in which H. M. Government is the ultimate beneficiary -

Short Securities

i.e. of 5 years maturity or less

For a nominal commission

14<sup>th</sup> November 1928

"Long" Securities

72

For  $\frac{1}{4}$  of the minimum commission  
from time to time permitted by the  
ordinary rules of the Stock Exchange.

This agreement will be for an indefinite period  
and the question of a change in the arrangements may be raised by  
either side at any time.

3. It has been suggested to Sir Gordon Naime that he should  
join the Board of the National Bank of New Zealand, which is  
affiliated to Lloyds Bank, whose Deputy Chairman is on its  
Board; on the 8<sup>th</sup> April 1925 the Committee agreed that a Bank  
affiliated to a Clearing Bank should not be entitled to support  
from the Bank, and he has told Sir Gordon Naime that in the  
circumstances it is inadvisable for him to ask leave to join the  
Board in question; with this decision Sir Gordon agreed.

4. Negotiations for the issue of a stabilisation Loan in London to  
Jugo-Slavia referred to in the Minutes of the 9<sup>th</sup> May last had since  
come to a standstill owing to their internal political troubles.

Serbia has recently borrowed small amounts from Sweden and  
Italy but these can only serve to meet a temporary need and sooner  
or later she will have to borrow large sums for development and  
other purposes.

It is desirable that Serbia should apply to the League, but  
she is unlikely to do so; it is possible, if not probable that she will  
be invited to negotiate with the French as soon as the reconstruction of  
Roumania under French auspices shall have been completed.

Therefore in order not to lose <sup>the</sup> touch with Serbia which was  
effected last May it seems advisable for active steps to be taken to  
retain her connection with London more especially as she will  
not herself take the initiative.

To this end he proposed that arrangements should be made,  
at the cost in whole or in part of the Bank, to maintain in  
Belgrade some person to continue the liaison with London.

5. With reference to Minutes of the 31<sup>st</sup> October he had now  
been informed by Sir O. E. Niemeyer and Mr Siepmann that  
Mr Francis Rodd is not prepared to accept an appointment  
in the Bank.

Arising

HB  
ET. 10



14<sup>th</sup> November 1928

1 B 68

ET 171

T Office file

R12

Arising out of this, he pointed out to the Committee that although it was understood at the time of the appointment of Sir O. E. Moneyer in May 1927 that he should devote his time to Central Banking and Foreign business and the League, he now represents the Bank not only on the Boards of the Anglo-International Bank, Credit Anstalt and Banque des Pays de l'Europe Centrale (which are essentially foreign) but also Vickers Armstrong and the Agricultural Mortgage Corporation (which are essentially domestic). Temporarily also he oversees the pending amalgamation of Cables and Wireless.

Without minimising the importance for the next few years of the process of rationalisation, it is Central Banking etc which in the long run will provide unique and insistent duties for the Bank; but the domestic matters above-mentioned (in which should be included the Lancashire Cotton Corporation, Armstrong Whitworth & Co and, in the future, others) are likely to require so much work as might unduly restrict the time and attention which Sir Otto could devote to Central Banking etc.

It therefore seems wise to abide by the original understanding; thus Sir Otto would avoid or gradually withdraw from such work as is essentially connected with rationalisation or other domestic matters. This will at once call for someone who would represent the Bank vis a vis the domestic concerns above-mentioned and would thus assume towards the Bank directly and the public indirectly the responsibility which this representation inevitably imposes.

b. With reference to Minutes of the 24<sup>th</sup> October last he proposed to present to the Federal Reserve Bank of New York a seventeenth century Rose Water Dish in memory of Benjamin Strong's Governorship.

With reference to the last Minutes it was agreed in principle that a supplementary pension fund be established for the benefit of the Advisers to the Bank and others who now or in the future hold similar positions but do not come within the provisions of the pension scheme for

14<sup>th</sup> November 1928

the Clerical Staff.

LC 4T  
CT. 71. 01

Consideration of the question which was considered last week as to what action, if any, the Governor should take as a Trustee of the Times in view of the fact that two Directors of the Times Publishing Company were Members of Financial Houses, and that in the general interest independent financial information and criticism was essential, was again deferred.

Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Ashbourne  
Sir Alan Anderson  
Sir Charles Addis  
Mr Whitworth  
and  
Mr Shaw  
Sir Ernest Harvey  
attended by invitation

CT 99.

Wednesday, the 21<sup>st</sup> November 1928

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.

In this connection the Governor informed the Committee that during the past week no gold had been withdrawn for the United States but that orders had been received for the purchase of a maximum of £4,000,000 for the Bank of France between now and the end of the year. He therefore proposed to continue to maintain the dollar exchange and he had offered to pay the South African Reserve Bank the maximum price for any further gold that they would undertake to export before the end of the year. During the week the exchange had been maintained by the sale of \$30,000,000 and our holding was now approximately \$106,000,000 of which \$71,000,000 was on account of Banking and \$35,000,000 on account of Issue.

The following were submitted and referred to the Court -

Report



21<sup>st</sup> November 1928

Report of the Audit Committee on the Audits taken by the Audit Department between the 5<sup>th</sup> July and the 7<sup>th</sup> November.

Minute of the Staff Committee recommending appointments  $\pi$

Report of the Staff Committee recommending the election of 17 Probationary Male Clerks to the Permanent Staff.

It was agreed to recommend to the Court of Directors that Frederick Canelle, a House Porter and Watchman, who has been absent on account of illness for more than six months during the present year and, in the opinion of the Bank Medical Officer, will never be fit to return to work, be granted a Pension of £115:8:8 a year during pleasure and in accordance with the scale.

Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank Polski.

A Statement was made by Mr Whitworth as to the total number of £1 and 10/- Notes printed and delivered to the Head Office up to the day appointed for the amalgamation of Note Issues.

The Governor acquainted the Committee of the following matters -

(1) In order to improve our contact with the Central Banks of India, Australia, South Africa and possibly Egypt he had arranged that a fortnightly letter on general subjects should be sent to each of them, information to be supplied by the Comptroller, the Chief Cashier and others, and Sir O. Niemeyer to be the first Editor.

ET 119-01

CT. 95-05

+1357

(2) Owing to dissatisfaction in connection with the publication of the origin or destination of sovereigns paid into, or withdrawn from,

21<sup>st</sup> November 1928

the Bank, a modification of the daily Bullion Report is under consideration. No change would be made in regard to bars; all foreign gold coin would be included under a single heading, and the destination or origin of sovereigns would be omitted.

(3) Early in the year he had arranged through the Agent General to advance money to Southern Rhodesia in the belief that as on a previous occasion the advance would eventually be repaid by an issue of stock to be made through the Bank.

Two or three months ago he had advised the Agent General to issue a loan, but his Government were not then prepared to do so owing to impending elections. Two or three weeks ago the Agent General again came to consult him, as to the issue of a loan in January and he then recommended that the issue be made as soon as possible as there would probably be several new loans in January. The Government of Southern Rhodesia thereupon instructed the Agent General to obtain immediate tenders from three Banks, including the Bank of England; the Bank declined to tender. After the tenders of the other two Banks had been received the Government of Southern Rhodesia asked the Bank at what price they considered that they could issue a loan. He had given no reply to the enquiry and he thought the whole story was far from creditable.

HB  
CT 192

(4) It is now generally agreed that a reorganisation of Messrs Armstrong Whitworth's Company should be effected forthwith, and he asked the Committee to approve the principle that the whole debt due to the Bank should be discharged by the allocation to them in one form or another of the greater part of the Equity of the Company.

He explained that, assuming the writing off of all the share capital, the position in round figures, ignoring all unpaid interest would be as follows-

|                                |        |            |
|--------------------------------|--------|------------|
| 4% 1 <sup>st</sup> Debentures  | Public | £1,000,000 |
|                                | Bank   | £1,500,000 |
| 6½% 2 <sup>nd</sup> Debentures | Public | £3,500,000 |
|                                | Bank   | £1,000,000 |



21<sup>st</sup> November 1928

4½% Consolidated  
Debentures

Public £2,500,000  
Bank £2,500,000

The Bank acquired their holding of 4% 1<sup>st</sup> Debentures for the purpose of bringing about the Vickers-Armstrong amalgamation; in order to obtain a satisfactory scheme of re-organization it would be necessary for the security of the 1<sup>st</sup> Debenture holders to be modified and for this purpose the Bank would have to exercise their vote; but they could not do so without inviting the criticism that they were favouring the holders of the junior stock who, as things at present stand, include themselves. Moreover he felt that the Bank should recognise the responsibility which devolves upon them in view of the fact that the 2<sup>nd</sup> and Consolidated Debentures were issued through the Bank.

It was desired, if possible to simplify the position of the company by reducing fixed charges and each side of the Balance Sheet.

He suggested -

1. That the Public's holding of 1<sup>st</sup> Debentures should remain untouched.

2. That the Public should be induced to surrender their holdings of 2<sup>nd</sup> Debentures, in exchange for preference shares in Vickers-Armstrong Limited and/or in the re-organised company.

3. That the Consolidated Debenture Holders, who would then rank second, should similarly be offered in exchange non-cumulative Preference Shares in Armstrong Whitworth Company and/or in Vickers-Armstrong Limited.

4. That the Bank should surrender their claims and holdings in all three Stocks and should take in exchange practically all the equity of the company.

The fixed charges on the company would then be reduced to £40,000 in respect of the 1<sup>st</sup> Debentures and the Bank would not only have discharged their moral responsibility to the Public but would also have supported a scheme which should serve as a model for future experiments in rationalisation.

Wednesday, the 28<sup>th</sup> November 1918

Present

The Governor  
The Deputy Governor  
Lord Kewlstone  
Lord Buller of  
Ashbourne  
Sir Charles Addis  
Mr Whitworth  
and  
Mr Shaw  
Sir Ernest Harway  
attended by invitation.

CT 99

CT 45

1859

read and agreed.

The proceedings of the last Committee were

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.

In this connection and with reference to the last Minutes, the Governor informed the Committee that during the past week the Bank had arranged to buy from the South African Reserve Bank, at the price of 77/10<sup>3</sup>, gold to the amount of £2,000,000 which in addition to gold afloat was all they expected to export for arrival here during the remainder of this year.

The Bank had also during the past week bought \$12,000,000 so that within the next few days our dollar holding would be approximately \$118,000,000. The American Exchange which last week was below gold export point was now above it, but the position of the German Exchange was not satisfactory and he proposed to endeavour to stop the drain of gold to Germany, with the co-operation of Dr. Schacht.

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

A Minute of the Committee on Advances and Discounts recommending the re-opening of a Discount Account 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 the following persons—

M & Baiger, a Woman Clerk, 30 years of age, who has completed 12 years' service and who is retiring on the 12<sup>th</sup> January owing to ill health, £49 4s a year from the 13<sup>th</sup> January inclusive.  
J. Z Church



28<sup>th</sup> November 1928

J. T. Church, a Porter in the In Tellers' Office, who attains the age of 65 years on the 14<sup>th</sup> December, £16: 6: 8 a year from the 5<sup>th</sup> December inclusive.

+65+

ET 69 10

The Deputy Governor submitted a memorandum as to "Redgates," Quory Lane, Rochampton, which is being offered for sale for £25,000. He informed the Committee that it was possible that the property might be bought for building purposes, which, from the Bank's point of view, would be very undesirable. Messrs St Quentin Son & Stanley were of opinion that a lower price might be accepted and it was agreed that they be authorised to negotiate for the purchase of this property by the Bank at a price not exceeding £20,000.

+657

ET 95 103

With reference to the modifications in the daily Bullion Report, which were submitted to the Committee last week, the Governor stated that he had referred the matter to three of the Directors and on their advice he proposed that the alterations should be recommended for the approval of the Court.

An application from Mr Gilbert Johnstone for a donation to the London Orphan School at Watford was declined.

Weekly Reports on Central Banks together with the Fortnightly Report on the Bank of Italy were submitted.

It was agreed to recommend that permission be granted to Mr Lubbock to join the London Board of the Bank of New Zealand at any time after he shall have retired from the office of Deputy Governor.

The Governor acquainted the Committee of the following matters, viz:—

28<sup>th</sup> November 1928LB 25  
Office R & P 33

(1) Following on the agreement of the Committee on the 6<sup>th</sup> June last to any proposal that might be made by Sir Herbert Baker for the permanent maintenance and happiness in the Bank's service of Lawrence of Arabia, a further letter had now been received from which it appeared that Lawrence would not be free to leave the Royal Air Force before 1930 and possibly not until 1935, but he proposed to try and ascertain the likelihood of his freedom at the earlier date.

CT. 2.

(2) The loan to Bulgaria authorised by the League of Nations, referred to in the Minutes of the 10<sup>th</sup> October, has now been issued and moderate support given in the market below the price of issue.

LB 58  
CT. 87.

(3) Following on the amalgamation of Note Issues he read to the Committee a list of the Securities now held in the Issue Department.

LB 23  
CT. 123

(4) With reference to Minutes of the 25<sup>th</sup> May 1927 and others, the Bank now hold well over 50 per cent of the shares of the Anglo-International Bank. Small offerings of shares occasionally took place in London which led to undesirable variations in the quoted price and he proposed whenever necessary to take steps to prevent such variation.

LB 99  
CT. 95-05

(5) With reference to Minutes of the 13<sup>th</sup> June and the 14<sup>th</sup> instant as to the proposed enquiry by the Finance Committee of the League of Nations in regard to the purchasing power of gold and the necessity for co-operation between Central Banks he understood that at the forthcoming Meeting of the League the Finance Committee would appoint or co-opt a Committee to study the question, and he once again asked the Committee to consider what action should be taken by the Bank.



Wednesday, the 5<sup>th</sup> December 1928

Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Bullen of  
Ashbourne  
Sir Alan Anderson  
Sir Charles Addis  
and  
Mr Whitworth  
Sir Ernest Harvey  
attended by invitation

CT 45 1359  
CT 99

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.

In this connection and with reference to his statement at the last Meeting that he proposed, with the cooperation of Dr Schacht, to endeavour to stop the drain of gold from this Country to Germany, the Governor stated that Mr Siepmann and Mr Batteries had since had a consultation in Ostend with Mr Fuchs of the Reichsbank.

The Reichsbank had declined to sell Reichsmarks against sterling or dollars and the Committee recommended the refusal of their offer to lend to the Bank for a limited period either gold or Reichsmarks against sterling; the Committee were also of opinion that no request should be made of London Bankers to avoid the export of gold to Germany.

It was agreed to recommend to the Court of Directors that a Pension of £240 a year be granted during pleasure and in accordance with the scale from the 16<sup>th</sup> December, inclusive, to Miss E.A. Padfield, an Assistant to the Superintendent of Women's Clubs, who will attain the age of 50 years on the 9<sup>th</sup> December.

On the proposal of the Deputy Governor authority was given for expenditure up to £1000 to provide a second Hockey Ground and a Netball court for the Women's Sports Club.

CT 67.02.

The Weekly Reports on certain Central

5 December 1928

Banks were submitted.

It was provisionally agreed that the Committee should meet in Christmas week on Monday, the 24<sup>th</sup> December, at 2.30 p.m. and on Thursday, the 27<sup>th</sup> December, at 11 a.m.

With reference to Minutes of the 14<sup>th</sup> November last as to the establishment of a supplementary Pension Fund for the benefit of the Advisers to the Bank and others who may now or in the future hold similar positions but who do not come within the provisions of the Pension Scheme for the clerical Staff, it was agreed to recommend to the Court that a sum of £2500 be set aside now for that purpose; that commencing on the 1<sup>st</sup> January 1929 a sum of £500 a year be added to the Fund in respect of each of these persons; that the Fund be invested at compound interest and be available for use as the Bank may think fit on the death or retirement of any of these persons.

With further reference to the agreement of the Committee on the 6<sup>th</sup> June last to any proposal that might be made by Sir Herbert Baker for the permanent maintenance and happiness in the Bank's service of Lawrence of Arabia, a letter from Sir Hugh Trenchard was read stating that Lawrence has been granted permission to extend his service in the Royal Air Force until 1935 and that the question of finding a post for him must therefore be indefinitely postponed.

The Governor acquainted the Committee of the following matters -

(1) It was reported that the new Roumanian Government were said to be considering the question of applying to the League of Nations in order to obtain financial advice and assistance. He considered that the Bank must regard themselves as committed for the present to the policy of the Bank of France although it was doubtful if this policy could now be carried through. The Central Bank Credit, in which the Bank were participants,

+B25  
Office File  
P33

+B26  
CT 15



5<sup>th</sup> December 1928

participants, depended on the Loan being issued by the 15<sup>th</sup> December, but the Bank had undertaken to consider sympathetically any application that might be made to them for an extension of the period.

(2) He proposed that in order to facilitate the policy of continuous funding and especially the issue of Loans on behalf of the Government changes might be made, as and when desirable, in the Government Securities in the Issue Department, such as had regularly been made in the Securities held in the Currency Note Account, and the Committee agreed that if such operations were carried out they would not expect to be informed in detail of the nature and extent of the transactions. But in connection with the present Issue of 4½% Treasury Bonds he stated, in answer to a direct question by Lord Bullen that application would be made for £25/30,000,000 of the Cash Issue.

(3) The Governor of the Federal Reserve Bank of New York gave notice a few days ago of his intention after the end of the year to charge a commission of  $\frac{1}{8}\%$  on Commercial Bills purchased and guaranteed for the Bank. The amount of these Bills held by the Bank is small and this charge is not likely to affect the Bank to any considerable extent. The reason appears to be that the Federal Reserve Bank wish to conform to the arrangements already made with all other Central Banks and this wish is no doubt due to the attitude of the Federal Reserve Board in Washington. In spite of this notice he hoped the Committee would not wish to reconsider the decision recorded in the Minutes of the 23<sup>rd</sup> February 1927 as to Commercial Bills guaranteed by the Bank.

(4) Referring to Minutes of the 16<sup>th</sup> March 1927 the conditions in the Exchange Market during the Autumn seemed to show conclusively that the Bank could not maintain a stable position satisfactorily without the services of an Exchange expert and the Committee approved, in principle, of the engagement for this purpose of Mr Robert Kay (formerly Hecht)

+a 55  
CT 118

+a 23  
CT 80

5 December 1928 at present the League's Adviser to the National Bank of Austria, who will probably be free in the early part of next year. The Governor promised to acquaint the Court accordingly on the following day.

CT. 171

(5) With reference to Minutes of the 14<sup>th</sup> November as to the need of someone to represent the Bank instead of Sir Otto Niemeyer on such work as is essentially connected with rationalisation or other domestic matters, the Committee agreed in principle to the appointment for a period of, say, five years of Sir James Cooper, K.B.E., if on investigation he should appear to be suitable thus to hold such Directorships.

~~172~~

1629

CT 113.02

(6) The question had been raised as to the advisability of the acceptance by the Bank of Bills drawn for the purpose of financing instalment buying. The Committee had agreed on various previous occasions, the last occasion being the 1<sup>st</sup> April 1925, that the policy of discrimination against Renewal and Finance Bills be continued and it was agreed that this policy be re-affirmed and be held to include Bills representing transactions on the instalment system. It was further agreed that the Committee on Advances and Discounts be acquainted with this decision and be informed that this Committee are prepared, if so requested by them, to make a recommendation to this effect to the Court.

### Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Abernethy  
Sir Alan Anderson  
Sir Charles Addison  
and  
Mr. Whitworth  
Sir Ernest Harvey  
attended by invitation

Wednesday the 12<sup>th</sup> December 1928

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.

In this connection the Governor stated that the American Exchange had been maintained during the past week

CT. 45

CT 99



12<sup>th</sup> December 1928

at comparatively little cost but that the mark was still consistently weak and that the drain of gold to Germany still continued.

The Committee had before them a letter from Messrs. Freshfields, Leese & Munns with Power of Attorney for use in connection with stocks and shares registered or inscribed on the account designated "Governor and Company of the Bank of England, Issue Department" and it was agreed to recommend to the Court that the Power of Attorney be sealed with the Common Seal of the Bank.

A Minute of the Committee on St Luke's recommending increases of salary &c was submitted and consideration deferred.

Weekly Reports on Central Banks were submitted together with the Fortnightly Report on the Bank of Italy.

With reference to Minutes of the 22<sup>nd</sup> February 1928 and earlier the Deputy Governor reported that he had declined a request from the Cafe Royal for a further advance of £30,000.

With reference to the announcement in last week's Minutes that the Federal Reserve Bank of New York propose after the end of this year to charge a commission of  $\frac{1}{8}\%$  on commercial Bills purchased and guaranteed for the Bank, the Committee agreed to make no change from the present practice but to continue the policy approved on the 23<sup>rd</sup> February 1927 of setting aside a sum half yearly to build up a reserve against the Bank's contingent liability in respect of Bills of Exchange held for Central Banks.

The Governor acquainted the Committee of the following matters—

+A 78  
CT 127

+A 55  
CT 118  
CT 50.09

12<sup>th</sup> December 1928+B22  
CT 77

(1) With reference to Minutes of the 13<sup>th</sup> June last he has now received official notice from Messrs Mullens, Marshall, Steer Lawford & Company that Sir John Mullens is retiring from business on the 31<sup>st</sup> instant, and that Mr Hugh William Priestley is being taken into partnership and will become <sup>one</sup> of the Government Brokers. The title of the Firm will remain unaltered.

CT 70.03

(2) Sir Basil Blackett and Sir Andrew Duncan have both accepted the invitation of the Court to allow their names to be submitted to the Proprietors for election to the Court but in view of the position in regard to the Cable Companies he thought it advisable to leave the question of the dates of elections in abeyance for the present.

CT 70

CT 70.04

+B60

CT 70.03

(3) He reminded the Committee that the invitation to Sir Basil Blackett was contingent on his undertaking not to enter the House of Commons and the Committee discussed the question of modifying the Order of Court of the 21<sup>st</sup> February 1918 so that for the future Directors should not be eligible to enter the House of Commons or to become members of any public Committee or Commission without first obtaining the consent of the Court. He also read to the Committee a letter from Mr Newman objecting to Mr Kitson's name having appeared on the recent prospectus of the Ford Motor Company Limited as a Director of the Bank of England and the Committee agreed in principle that in the case of a Director being granted permission to join the Board of a newly formed company his connection with the Bank should not be mentioned in the prospectus without the special leave of the Court.

(4) The Bank of Italy had applied for £2,000,000 of the recent issue of 4½% Treasury Bonds. The Bank do not usually take commission on such applications either for themselves or their clients but the Bank of Italy were entitled to receive commission and the Bank had in this case applied for the commission on their behalf.

CT. 95.05

+B99

(5) With reference to Minutes of the 13<sup>th</sup> June last he has received  
a letter



12<sup>th</sup> December 1928+ 12/99  
CT 95 05

a letter from Sir Henry Strakosch informing him that the Financial Committee of the League of Nations have suggested the appointment of a special committee to examine into and report upon the causes of fluctuations in the purchasing power of gold and their effect on the economic life of the nations. If this suggestion is approved definite names will be submitted to the Council of the League at the next session in March.

+ 12/68  
CT 171 1  
Office file P12.

With reference to the last Minutes as to the appointment of someone to represent the Bank instead of Sir Otto Niemeyer on such work as is essentially connected with rationalisation or other domestic matters, the Governor informed the Committee that he had interviewed Sir James Cooper, and after discussion the question of his appointment was deferred.

Present

The Governor  
The Deputy Governor  
Lord Revelstoke  
Lord Kell of  
Ashbourne  
Mr Trotter  
Sir Charles Addis  
Mr Whitworth  
and  
Mr Shaw.  
Sir Ernest Harvey  
also attended.

CT 99

Wednesday, the 19<sup>th</sup> December 1928.

The proceedings of the last Committee were read and agreed as amended.

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.

In this connection the Governor informed the Committee that although no Dollars had been sold the American Exchange was higher than a week ago and that the German Exchange had slightly improved.

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank Polski.

19<sup>th</sup> December 1928

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

The following were submitted and referred to the Court:—

Staff Committee

Minute recommending appointments, &c.

Quarterly Report on Payments made, &c.

Report recommending the election of 17 Probationary Male Clerks to the Permanent Staff.

Letter from the Chancellor of the Exchequer applying for Advances during the ensuing Quarter.

With reference to the last Minutes an amended Minute of the Committee on St Luke's recommending that the Annual Review of Salaries of the Male Administrative Staff in the Principal Supervisor's Office and the Printing Section at St Luke's should take place at the close of their financial year, viz., the 30<sup>th</sup> November, and that certain additions to salary and gratuities be granted was submitted and referred to the Court.

In this connection the Governor reminded the Committee that the Review of Salaries of Members of the Clerical Staff at the Head Office and Branches takes place annually in February to date from the 1<sup>st</sup> March.

It was agreed to recommend to the Court of Directors that the appointment of Dr Arthur J. Daines, Medical Officer of the Bank, be renewed for a further year on the conditions approved by the Court of the 17<sup>th</sup> December 1925.

With reference to previous Minutes the Committee considered the following proposal for amendment of the regulations for Directors approved by the Court of the 25<sup>th</sup> February 1918.—

"7. That no Director of the Bank become a Member of the House of Commons of the Board of any Company, or of any public Committee or Commission without the consent of the Court."

"(In the case

CT 70 04



19<sup>th</sup> December 1928

"(In the case of a Director being granted permission to join the Board of a newly formed company his connection with the Bank should not be mentioned in the Prospectus without the 'special leave of the Court.')

The Committee were not unanimous and it was agreed that the proposal be submitted to the Court for consideration.

The Governor acquainted the Committee of the following matters -

(1) He had been consulted by various people on behalf of the Betting Control Board as to the method to be adopted to provide banking and credit facilities on the various race courses, and he had advised the Board to consider a scheme which would be submitted through its Bankers and which would be assured of the co-operation of the Clearing House.

(2) With reference to the last Minutes, Sir Henry Stratosch desired that Sir Basil Blackett should become a Member of the Special Committee to be set up by the League of Nations to examine into and report upon "the causes of fluctuations in the purchasing power of gold and their effect on the economic life of the nations", but he thought it would be inadvisable for Sir Basil Blackett to undertake this work.

(3) Mr Stewart will be sailing for New York in the third week in January and he proposed, if possible, to go with him.

(4) With reference to Minutes of the 5<sup>th</sup> December as to the Central Bank Credit to Roumania in which the Bank are participants, he had now informed the Bank of France that the Bank were prepared to extend to the 15<sup>th</sup> March next the period within which the Credit may come into operation.

(5) He had received a cable from Mr Blegg stating that owing to serious defalcations at the Johannesburg Branch, the South African Reserve Bank were in danger of losing a sum of possibly £75,000.

CT95.05

Hagg

CT70.04

H226 CT15

19<sup>th</sup> December 1928

CT 192.01

CT 183

+ 1862

+ 1861

(2)

(6) With reference to Minutes of the 24<sup>th</sup> August 1927, he laid before the Committee a letter from Sir William Leese on whose advice along with that of Messrs Deloitte, he had agreed to the merger between Messrs. Vickers-Armstrong Vickers Limited and Cammell Laird & Taylor Brothers and had approved of consent being given thereto by the Sun Insurance Company.

CT 192

CT 192.01

(7) With reference to Minutes of the 21<sup>st</sup> November last as to the proposed re-organisation of Messrs Armstrong Whitworth & Company Ltd, he laid before the Committee a letter from Messrs Deloitte approving the scheme.

+ 1742

+ 1729

CT 113.02

Messrs Grenfell and Tiarke as representing the Committee on Advances and Discounts attended and the policy of discriminating against Bills representing transactions on the instalment system which was approved by the Committee of Treasury on the 5<sup>th</sup> instant was discussed and decision deferred.

Thursday the 27<sup>th</sup> December 1928.

Present

The Governor

The Deputy Governor

Lord Revelstoke

Lord Culler of Ashbourne

Mr Trotter

Sir Alan Anderson,  
and

Sir Charles Addis.

Sir Ernest Hanway  
attended by  
invitation.

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.

Weekly Reports on Central Banks were submitted.

+ 1742

+ 1729

CT 113.02

With reference to the last and earlier Minutes the question of discriminating against Bills representing transactions on the Instalment System was again discussed.



Wednesday, the 2<sup>nd</sup> January 1929

Present

A full Committee  
Sir Ernest Harney  
attended by invitation

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.

The Weekly Returns on Central Banks were submitted.

With reference to the Minutes of the 18<sup>th</sup> April last recommending a donation of £2,100 to the Lord Mayor's Fund for the Relief of Distress in the coalfields it was agreed that no further steps be taken.

+ 742  
~~+ 620~~  
CT 113.02

The Committee again discussed the policy, approved by them on the 5<sup>th</sup> December, of discrimination against Bills representing transactions on the instalment system. While seeing no general objection to the system of purchase by instalment they disapproved of the method of financing such transactions by Bills and they accordingly reaffirmed their previous decision. They generally agreed, however, that an application to the Bank for fresh capital or for an advance by an approved company formed to finance such transactions should be particularly and carefully considered.

CT 180

The Governor acquainted the Committee of the following matters—

(1) With reference to Minutes of the 22<sup>nd</sup> December 1926 and earlier as to Bank Amalgamations under the domination of a large clearing Bank, application has been made in Canada by Barclays Bank (Canada) for incorporation under the Canadian Bank Act and he regretted this further extension of the foreign activities of this clearing Bank.

+ 216  
CT 90.03

2 January 1929

~~1B 63~~  
CT 75

(2) It is proposed to amalgamate and re-arrange the Monthly and Quarterly Summaries of Statistics which will, as hitherto, be issued in confidence to the Central Banks.

~~1B 65~~ N/E

(3) The National Bank of Switzerland propose to send one of their Staff on a visit to the Bank during January and February.

~~1A 16~~

CT 32

(4) A new Loan for India is now being underwritten. The negotiations with Mr Goodenough and Mr Kisch have been long and troublesome and difficulties as to the price of issue have arisen which he attributed mainly to the fact that Barclays Bank recently undertook the issue of the Loan for Southern Rhodesia referred to in Minutes of the 21<sup>st</sup> November last which was issued at a considerably higher price than was advised by the Bank and which since the date of issue has been quoted at 12½% discount.

(5) Mr Case of the Federal Reserve Bank of New York will shortly come to the Bank for two or three weeks to study our system of issuing Treasury Bills.

~~1B 61~~

CT 192

(6) With reference to Minutes of the 21<sup>st</sup> November last a memorandum was submitted showing the basis upon which final agreement had been reached as to the terms of the re-organisation of Messrs Armstrong Whitworth & Co. as approved by Messrs. Deloitte. This calls for considerable nominal sacrifice on the part of the Bank; but if the re-organised company progresses in accordance with the hopes of Mr Frater Taylor, the Bank may eventually be recouped for their sacrifice by an appreciation in the value of the Ordinary Shares



Wednesday the 9<sup>th</sup> January 1929

Present

A full Committee  
Sir Ernest Harvey  
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.

CT 99

In this connection the Governor read to the Committee a cable recently despatched to the Governor of the Federal Reserve Bank requesting his views as to conditions and prospects in New York.

The Weekly Reports on Central Banks were submitted.

Revised regulations for taking in the Out Cash necessitated by the amalgamation of the Note Issues were submitted and referred to the Court.

It was agreed to recommend to the Court that Mr Edward Lambert Gosling of the Firm of Mullens, Marshall, Steer Lawford & Company be appointed a Scrutineer in the room of Sir John Ashley Mullens who has recently resigned.

CT 90

With reference to Minutes of the 31<sup>st</sup> October and the 5<sup>th</sup> December last respectively, conditions for the engagement of Mr F J Kennell Rodd and Mr Robert Kay were submitted and referred to the Court.

The Governor read to the Committee-

1299  
CT 95 105

(1) A letter he had written to M Moreau as to the attitude to be adopted by Central Banks towards the Committee which is about to be set up by the League of Nations "to report upon the causes of the fluctuation in the purchasing power of gold and

9<sup>th</sup> January 1929

N/E  
1367

their effect on the economic life of the nations."

(2) A list of visitors already received or shortly to be received from various European Central Banks.

CT 60.10  
1364

(3) A list of Members of the Staff of the Bank who will shortly go abroad to study languages.

1366  
Office File P37

The Governor informed the Committee that he had had a conversation with Mr E. J. Hargraves, a stockholder, on various points relating to the Bank's position and practice and that Mr. Hargraves had expressed himself as perfectly satisfied.

1369  
Office File P12

With reference to Minutes of the 3<sup>rd</sup> March 1926 etc, the Committee agreed in principle that Mr R.N. Kershaw, who was born in Australia, and is now in the Minorities Section of the League of Nations, be approached with a view to an appointment at the Bank, with special reference to their relations with the Central Banks of the Dominions.

With reference to the recent retirement of Sir Ernest Harvey, discussion took place as to the appointment of a Comptroller and the duties of the post and a general agreement having been reached decision was deferred.

Wednesday, the 16<sup>th</sup> January 1929

Present

A full Committee  
Sir Ernest Harvey  
attended by invitation

CT 99

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.

In this connection the Committee agreed generally



16<sup>th</sup> January 1929

generally that in the absence of unforeseen circumstances it should be possible to maintain the present rate for the next few weeks as indicated in two cables recently despatched to the Federal Reserve Bank and laid before the Committee.

The Weekly Reports on Central Banks were submitted together with the Monthly Report of the Committee on Advances and Discounts.

A Minute of the Committee on Advances and Discounts recommending the re-opening of two Discount Accounts was submitted and referred to the Court.

CT 70.03

The Governor informed the Committee that he had received letters of resignation from Sir Cosmo Bonsor and Mr Henderson. It was agreed to recommend to the Court that these resignations be accepted and that a General Court be summoned, if possible on the 23<sup>rd</sup> January, for the election of Sir Basil Blackett and Sir Andrew Duncan.

H 2 H

CT 98

With reference to Minutes of the 20<sup>th</sup> December 1922 recommending the purchase by the Bank of a share in Overton Mill, it was agreed to recommend to the Court that the Bank's share in this Mill be re-sold for £117,500 to Messrs Portals Ltd., on their entering into an Agreement which will give the Bank a sufficient measure of control of both the Overton and Laverstoke Mills.

H 55

CT 118

CT 50.09

The Governor read to the Committee a memorandum stating that at the present time, after charging everything as costed together with a commission of  $\frac{1}{8}\%$  in respect of guarantee for Commercial Bills, the Bank are making a profit on their Central Bank business of some £80,000 a year, the total profit to date being in the neighbourhood of £300,000.

The Bank do not wish to make any profit on this business; but on the other hand, the present period is undoubtedly experimental and subject to peculiar hazards; he therefore proposed that a separate Suspense Account be opened

16<sup>th</sup> January 1929.

to which should be credited now, say, £100,000 (out of the £200,000) and in future all the net profits as shown by costing, after deduction of the  $\frac{1}{8}\%$  on Bills guaranteed.

The Governor acquainted the Committee of the following matters -

(1) Owing to the illness of his wife, Mr Stewart may be compelled to be absent from London during next winter, but he hoped that some arrangement might be reached which would enable the Bank to continue to receive the benefit of Mr Stewart's exceptional abilities.

CT. 2.

(2) He proposed to agree to a request that Sir Otto Niemeyer with Mr de Chalendar be the Trustees of the Bulgarian  $7\frac{1}{2}\%$  Loan recently issued under the auspices of the League that their address for business connected with the loan be "the Bank of England" and that the Bank should supply the services of a Secretary if required.

+ 1369  
Office Files

(3) With reference to the last Minutes, the Governor read to the Committee a memorandum of an interview he had since had with Mr Kershaw.

+ 1360  
CT. 181.01

(4) With reference to Minutes of the 24<sup>th</sup> October last as to the Lancashire Cotton Corporation, some of the Bankers had at first been opposed to the scheme of reconstruction and although they were now neutral, progress in the matter would consequently be slow. The Corporation when formed would acquire mills gradually, and he proposed to make them a temporary advance at the rate of  $\text{£}1\text{-}$  for each spindle acquired up to 6,000,000 spindles i.e.  $\text{£}300,000$ , on the security of an undertaking to issue Debentures covering the property thus acquired. He hoped that in about six months it would be possible to make an issue of perhaps  $\text{£}2,000,000$  Debenture Stock to raise a sum equal to  $\text{£}1\text{-}$  per spindle, out of which the Bank's advance would be repaid.

CT. 4.

(5) With reference to the Minutes of the 2<sup>nd</sup> January as to recent issues for India &c., negotiations have been proceeding for an issue by the Commonwealth of Australia who, contrary to all advice and expectations, had from Sydney insisted upon the issue of the loan at a higher price than seemed reasonable or advisable.

(6) The



16<sup>th</sup> January 1929+ 106  
CT 192.

(6) The Governor read to the Committee a letter from Mr. Whigham as to the scheme of arrangement of Messrs Armstrong Whitworth & Co referred to in Minutes of the 2<sup>nd</sup> November last. It was agreed that no action be taken but that the letter be read and explained to the Court to-morrow.

(7) He proposed, with Mr. Stewart, to sail next week for New York where he would spend a week or 10 days.

With reference to Minutes of the 19<sup>th</sup> December last as to a suggested amendment of Regulation 7 of the Regulations for Directors approved by the Court of the 21<sup>st</sup> February 1918, it was agreed to recommend to the Court that the Regulation in question be amended to read as follows, viz:—

"That without the consent of the Court no Director of the Bank become a Member of the Board of any company or undertake any duty or assume any post or engagement which may affect his position as a Member of the Court. Pending such consent a Director may, in case of need, reach an understanding with the Governor.

That in the event of a Director being granted permission to join the Board of any company his connection with the Bank should not be mentioned in any Prospectus without the consent of the Court."

Tuesday, the 23<sup>rd</sup> January 1929

Present  
The Deputy Governor  
Lord Revelstoke  
Lord Bullen of Ashbourne  
Mr Trotter  
and  
Sir Charles Addis  
Sir Ernest Harvey  
attended by invitation.

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.

The following were submitted and referred to the Court—

23<sup>rd</sup> January 1929

Minute of the Staff Committee recommending appointments &amp;c.

Report of the Staff Committee recommending the election of 11 Probationary Male clerks to the Permanent Staff.

Report of the Audit Committee on audits taken by the Audit Department between the 8<sup>th</sup> November 1928 and the 16<sup>th</sup> January 1929.

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 21<sup>st</sup> March, and that a General Court for the election of Governors and Directors for the ensuing year be held on Tuesday and Wednesday, the 26<sup>th</sup> and 27<sup>th</sup> March.

It was agreed to recommend that H. A. Eliot, a 1<sup>st</sup> class clerk in the Accountants Bank Note Office, who will attain the age of 65 years on the 27<sup>th</sup> January, be granted, during pleasure and in accordance with the scale, a Pension of £446:13:11 a year from the 28<sup>th</sup> January inclusive. In accordance with the Order of Court of the 2<sup>nd</sup> February 1928, Eliot proposes to commute £100 of this Pension for a cash Payment of £805:8:—

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank of Poland.

The Deputy Governor acquainted the Committee of the following matters—

(1) With reference to Minutes of the 28<sup>th</sup> September 1927, the Governor proposed that during the coming weeks the Bank should be prepared to buy gold in the market, at the price of the day.

(2) He read to the Committee a letter from the Governor to Sir Warren Fisher recommending Sir Basil Blackett as a suitable candidate for the post of Financial Adviser to the Colonial Office formerly held by Sir George Schuster.

(3) With reference to Minutes of the 12<sup>th</sup> December last and earlier as to

1A81  
CT 95

1B71  
CT 70.04

CT. 171



23<sup>rd</sup> January 1929

as to the possible appointment of Sir James Cooper to represent the Bank on such work as is essentially connected with nationalisation or other domestic matters, he read to the Committee a memorandum of a further interview which the Governor had recently had with Sir James Cooper setting out provisional proposals as to terms of appointment.

1870  
CF 132

Sir Ernest Harvey informed the Committee that during the last few days it had transpired that, as the result of certain unauthorised transactions carried out by the Central Manager of the Banca Italo-Britannica in the name of his Bank, that Institution had to find a sum of not less than £2,600,000 by the 31<sup>st</sup> January, failing which it would probably have to suspend payment. In that event the British Italian Corporation, who own half the capital of the Italian Bank and are also creditors of that Bank for a large amount, would also have to close its doors. Having regard to the statements which have from time to time been published to the effect that the principal shareholders of the British Italian Corporation comprise clearing and other important British Banks, the London Bankers of the British Italian Corporation, after consultation with the Governor, have agreed to provide the required sum of £2,600,000 and, should it prove necessary, a further sum of £1,000,000. The Governor has undertaken for his part that the Bank of England will accept any of the sterling acceptances of the British Italian Corporation which may be tendered by the Market; the amount of such acceptances outstanding at the moment is about £4,000,000. The affairs of the Banca Italo-Britannica are at present being investigated by representatives of Messrs Pricewaterhouse and of the London Bankers and it is hoped that this investigation will show that the position is now entirely safeguarded.

Wednesday, the 30<sup>th</sup> January, 1929

Present

The Deputy Governor  
Lord Revelstoke  
Lord Cullen of  
Ashbourne  
Mr. Trotter  
Sir Alan Anderson  
Mr Whitworth  
and  
Mr. Shaw.  
Sir Ernest Harway  
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" was submitted and referred to the Court.

It was agreed that a special education allowance granted to Mrs J. S. Lovelock, widow of H. W. Lovelock formerly a 3<sup>rd</sup> Class Clerk in the Consols Office, which expires in June next, be continued for a further year to enable her to complete the education of her younger son.

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

(1) He had authorised the erection of a temporary building in the Governor's Court at an estimated cost of £2000 to provide additional accommodation for the Advisers to the Governor and others.

(2) The Lancashire Cotton Corporation Limited has now been registered with a nominal capital of £100 which will be increased as may be required. The Bank have agreed to advance £20,000 to meet preliminary expenses as part of the £300,000 referred to in the Minutes of the 16<sup>th</sup> January.

(3) With reference to the Minutes of the 23<sup>rd</sup> January arrangements have been made by Lloyds Bank, the Westminster Bank and the National Provincial Bank, to advance today to the Banca Italo-Britannica up to £2,000,000 which it is hoped will be sufficient to meet the needs of the situation.

+B72  
To Estate.

CT 181.01 +E60

CT 182. +B70



Wednesday, the 6<sup>th</sup> February 1929-

Present

The Deputy Governor  
Lord Revelstoke  
Lord Bullen of  
Ashbourne

Mr Trotter  
Sir Charles Addis

Mr Whitworth  
and

Mr Shaw.

Sir Ernest Harvey  
attended by invitation

~~1875~~  
CT 99.

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 to recommend to the Court that the Bank Rate be increased from 4½% to 5½%.

In this connection the Deputy Governor read to the Committee a cable which he had received from the Governor from New York, dated the 4<sup>th</sup> February.

It was agreed to recommend to the Court that the Rate of Interest on deposits with the Bank of the Prudent Society be continued for the ensuing year at 3½% free of Income Tax.

Sir Ernest Harvey informed the Committee that the scheme for re-organisation of Messrs Armstrong Whitworth & Co. Ltd. was now complete and would be in the hands of the shareholders on the 8<sup>th</sup> February.

With reference to Minutes of the 23<sup>rd</sup> and 30<sup>th</sup> January last the Deputy Governor read to the Committee a cable which he had sent to the Governor setting out the present position in regard to the Banca d'Italia - Britannica.

~~1861~~  
CT 192.

~~1870~~  
CT 132.

Wednesday, the 13<sup>th</sup> February 1929

Present

The Deputy Governor  
Lord Cullen of  
Ahlburne  
Mr Trotter  
and  
Mr Whitworth  
Sir Ernest Harway  
attended by invitation

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.

The Weekly Reports on Central Banks were laid before the Committee.

It was agreed to renew the following charitable Subscriptions for the current year, viz:—

|                                                                |                    |
|----------------------------------------------------------------|--------------------|
| City of London Truss Society                                   | £10. 10. —         |
| Royal National Life Boat Institution                           | 21. —. —           |
| Royal Surgical Aid Society                                     | 10. 10. —          |
| Bank Clerks' Orphanage                                         | 105. —. —          |
| King Edwards 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,<br>Euston, N.W. | 50. —. —           |
| Samaritan Free Hospital for Women,<br>Marylebone Road          | 50. —. —           |
| Que's Hospital                                                 | 250. —. —          |
| Bishop of Stepney (1/2 Rector of St Margaret's,<br>Lothbury)   | 50. —. —           |
| Metropolitan Convalescent Institution,<br>Bexhill              | 22. 1. —           |
| Royal National Hospital for Consumption,<br>Ventnor            | 26. 5. —           |
| Bankers Beneficent Society Ltd.                                | 100. —. —          |
| City & Hospitals Charity Athletic Contest                      | 10. 10. —          |
|                                                                | <u>£976. 16. —</u> |

It was



13<sup>th</sup> February 1929

It was also agreed to recommend that the following Donations be granted viz:-

The Royal Infant Orphanage, Wanstead  
University College Hospital

£105:--  
£105:--

Wednesday, the 20<sup>th</sup> February, 1929

Present

The Governor  
The Deputy Governor,  
Lord Bullen of  
Ashbourne

Mr Trotter

Mr Whitworth  
and

Mr Shaw.

Mr Grenfell and  
Sir Ernest Harney  
attended by invitation.

CT 99.

The proceedings of the last Committee were read and agreed.

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

The Governor gave a full account of his recent conversations in America, and said that so far as he could judge, the course of call and time money rates, whether or not the Bank Rates of the Reserve Banks were raised, would be such as to bear on the exchanges and by the threat of further export of gold from London to force an increase in the rate here.

It seemed therefore probable that an increase of 1% in the Bank Rate would be necessary so soon as any one or more of the Eastern Reserve Banks should have thus increased their official rate, or so soon as the Exchange should have reached the point at which shipments of gold from the Bank for New York would appear inevitable, but the Committee agreed that a rise in (say) the Boston or Philadelphia rate this week would not necessarily require an immediate increase in the rate here and that, in the absence of any such rise, they would not recommend any alteration.

In this connection the Governor read to the Committee a comparative statement of the holdings of gold in 1927 and 1929 by the Central Banks and indicated those Banks in Europe which were most likely to be adversely

~~1874~~  
CT 118.

20<sup>th</sup> February 1929SEC 10  
T 2599

affected by any rise in Bank Rates elsewhere.

We also laid before the Committee particulars of questions which had recently been asked in the House of Commons as to the procedure in notifying the Chancellor of prospective changes in the Bank Rate.

The following were submitted and referred to the Court -

#### Staff Committee

Minute recommending promotions under the Salary Scheme.

Minute recommending appointments &c.

Annual Reports on the Clerical Staff with recommendations for personal increases of Salaries &c.

Minute recommending the appointment of 10 Probationary Male Clerks to the Permanent Staff.

#### Committee on St Luke's

Minute recommending appointments &c.

Annual Reports on the Clerical Staff at St Luke's Printing Works.

#### Committee on Advances and Discounts

Monthly Report.

Report on the Discount business of the Bank for the year 1928.

The Weekly Reports on Central Banks were submitted.

With reference to Minutes of the 5<sup>th</sup> December and 2<sup>nd</sup> January last, it was agreed at the request of the Committee on Advances and Discounts to report to the Court the decision of the Committee in regard to the reception by the Bank of Bills drawn for the purpose of financing Instalment Buying.

An application for a donation towards the establishment of a Hall of Residence in London for the benefit of British Male Students from the Dominions and Colonies and from the United Kingdom was declined.

The Governor.

+ 742

+ 620

ET 113-02

+ 1373  
N/E.



20<sup>th</sup> February 1929

The Governor acquainted the Committee of the following matters-

(1) There has lately been increasing pressure on the Board of Trade, the Treasury and the Prime Minister for a new Trades Facilities Act. It is doubtful whether a new Act can permanently be avoided, but it is likely that unless reviving industry is given a reasonable prospect of obtaining from the City such essential monies as may be needed, a Trade Facilities Bill will be promised before the General Election and he has told Lord War, who called upon him to discuss the matter, that in these circumstances the Bank will find money to a moderate extent in support of any approved scheme of rationalisation which to their satisfaction is established on an economic and profitable basis.

CT 171  
~~CT 178~~  
 CT 183.

(2) He proposed with Mr Stewart to visit Paris at the end of this week to discuss with M Moreau and Dr Schacht the Committee which, as mentioned in the Minutes of the 12<sup>th</sup> December last, has been set up by the League of Nations to examine into and report upon the "Causes of fluctuations in the Purchasing Power of Gold and their effect on the Economic life of the Nations."

1299  
 CT 95.05

Wednesday the 27<sup>th</sup> February 1929.

Present

The Deputy Governor  
 Mr Trotter  
 Mr Whitworth  
 and  
 Mr Shaw  
 Sir Ernest Harney  
 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 Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank Polski.

27<sup>th</sup> February 1929.

LB 7  
Office File  
P89 04

The Deputy Governor informed the Committee that application has been made to the Finsbury Borough Council in order to obtain the closing of Bath Street and Radosworth Street, St. Luke's. The Borough Council are prepared to put forward the application, but in view of the loss of housing accommodation in the streets referred to, they have asked whether the Bank would make an *ex gratia* contribution to the cost of the housing scheme which they are now carrying out. The area gained by the Bank as the result of the closing of these streets will be about 19,000 square feet and after consultation with Sir William Leese he proposed to agree in principle to the proposal; the form and the amount of the Bank's contribution to be subsequently considered.

LB 7  
CT 67 02

It was agreed that the Secretary of the Sports Club be authorised to expend a sum not exceeding £1,000 in eradicating weeds on the Sports Ground at Roehampton.

LB 7  
CT 132

With reference to Minutes of the 23<sup>rd</sup> January last, the Deputy Governor read to the Committee a letter which the Governor had written to the Governor of the Bank of Italy as to the position of the British Italian Corporation and the Banca Italo Britannica.

LB 80  
N/S

The Deputy Governor informed the Committee that the estimated Profits for the Half-year ending the 28<sup>th</sup> February after providing for a Dividend of 6 per cent. less Income Tax amounted to £895,000.

It was proposed to deal with this surplus as follows -

|                                                                               |                 |
|-------------------------------------------------------------------------------|-----------------|
| Suspense Account - Provision for Income Tax                                   | £350,000        |
| Branch Banks contingencies                                                    | 500,000         |
| Writing down Securities and Writing Off certain amounts expended on premises. | 40,828          |
| Balance to be added to Rest carried forward.                                  | 4,172           |
|                                                                               | <u>£895,000</u> |



Wednesday, the 6<sup>th</sup> March 1929.

Present

The Governor

Mr Trotter and  
Mr Shaw

Mr Grenfell and  
Sir Ernest Hawley  
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.

It was agreed that an Allowance of £60 a year in accordance with the scale be granted to Mrs C. F. Cumberlege, widow of C. F. Cumberlege, a Pensioner, formerly a 1<sup>st</sup> class clerk at the Newcastle on Tyne Branch.

16-77  
Establs

- It was agreed to recommend to the Court -
- That the Voting Papers for the Election of the Committee of Treasury be issued on Thursday, the 14<sup>th</sup> March.
  - That voting take place at the Court on the 28<sup>th</sup> March and that Directors who so desire be allowed to record their votes after making their Declaration of Office on Wednesday, the 27<sup>th</sup> March.
  - That the votes be counted after Court on the 28<sup>th</sup> March, and
  - That the Standing Committees be appointed on Thursday, the 14<sup>th</sup> April.

The Committee had before them a letter from Mr WM Rowe, the Deputy Chief Accountant, in which he asked to be allowed to retire from the service of the Bank on the 18<sup>th</sup> June next, when he will have completed 14 years' service.

It was agreed to recommend to the Court that Mr Rowe's resignation be accepted as from that date and that he be granted during pleasure and in accordance with the scale a Pension of £1406:16:- a year from the 19<sup>th</sup> June inclusive.

6<sup>th</sup> March 1929

The Weekly Reports on Central Banks were submitted together with a Report on the National Bank of Roumania.

The Governor acquainted the Committee of the following matters, viz:—

(1) In continuation of earlier Minutes, including that of the 12<sup>th</sup> December 1928, with reference to the appointment by the League of Nations of a special Committee to "examine into and report upon the causes of fluctuations in the purchasing power of gold and their effect on the economic life of the Nations", the Bank of France and the National Bank of Belgium are opposed in principle to the appointment of a Committee and M Moreau has prevented M Rist from accepting an invitation to join the Committee. The Federal Reserve Bank are also opposed to the appointment of a Committee because they could not be associated with the work of a Committee established under League auspices and fear that the findings of such a Committee might seriously restrict their power of co-operation with other Central Banks. The Financial Committee of the League decided in December to invite the following, in addition to M Rist — Sir Henry Strakosch, Dr Poprusil, M Janssen, Professor Cassel and Professor Sprague, all of whom have since accepted.

At the suggestion of the Governor of the Bank of France he visited Paris last week when it was agreed between M Moreau, Dr Schacht and himself that they should suggest to the representatives of various countries on the Financial Committee of the League that the completion of the Committee be postponed at least until June next; without in any way committing themselves to the future the Financial Committee have acted as requested, but it still remains to be seen what action those Central Banks who are opposed even to the appointment of a Committee will take in the meantime. He and Dr Schacht have suggested to M Moreau that the three Banks in conjunction with the Federal Reserve Bank should appoint a private Committee of four to explore on their behalf the general subject of gold policy, but no agreement has yet been reached.

(2) Sir E. Hilton Young resigns from the post of Editor in Chief of the Financial News in May and Mr J A Holson of the Manchester Guardian will succeed him. Mr Holson's agreement gives him considerable freedom of action and it is hoped that the paper will be conducted on sound lines

O.R.

H.B.M.  
2/19/29



6<sup>th</sup> March 1939.

sound lines in the future.

1870  
CT 132

(3) With reference to the last and earlier Minutes in regard to the British Italian Corporation the position appears to be somewhat improved since last week; great assistance has been given by the Governor of the Bank of Italy and by Signor Mussolini and it looks as though the situation may eventually be cleared up.

ET 171  
CT 133

(4) With reference to Minutes of the 20<sup>th</sup> February as to the provision of money for schemes of rationalisation, the Scottish Iron & Steel Combine and the South Wales Coal Combine are the only schemes of this nature which, so far as he at present knows, are likely to apply.

With reference to Minutes of the 9<sup>th</sup> January last as to the appointment of a Comptroller and the duties of the post, it was agreed to recommend that Mr C. P. Mahon, the Chief Cashier be appointed Comptroller to fill the vacancy caused by the retirement of Sir Ernest Harvey, with a salary of £5500 per annum from the 27<sup>th</sup> March inclusive.

It was further agreed that one of the rooms in the new building in the Governor's Court be allocated to the Comptroller, whose future duties will include the following—

- (1) To consider on behalf of the Governors with Heads of Departments all matters concerning—

Advances and other daily business of the Chief Cashiers Office.

Advances and other daily business of the Discount Office, including the examination of Bills.

Maintenance and business of the Branches.

Audits.

The Staff (Appointments, Promotions, Reports, Absence etc.)  
Messengers, Works Department and other non-clerical employees.

Buildings and Premises (including expenditure for alterations, repairs, furniture etc.)

Sports, Luncheon and all clubs, the activities of the General Welfare Organiser and generally all questions connected with the welfare of the Staff.

6<sup>th</sup> March 1929

- (2) To read and approve all correspondence on behalf of the Bank conducted by the Governors, the Central Banking Office and others.
- (3) To attend all Directors' Committees in an advisory capacity (but not the Court).
- (4) To attend the meetings held by the Governors from time to time for the consideration of questions affecting current business.
- (5) To pay regular visits of inspection to all Departments of the Bank, including the outside Offices and occasional visits to the Branches.

The Comptroller will have the option of lunching in the Court Room or with the Officials and will be expected to attend tea in the Committee Room daily.

Wednesday the 13<sup>th</sup> March, 1929

Present

The Governor

The Deputy Governor

Mr Whitworth

and  
Mr Shaw

Mr Grenfell and

Sir Ernest Harney  
attended by invitation

read and agreed.

The proceedings of the last Committee were

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.

In this connection the Governor discussed the position of Italy, Germany, Holland and America; he also read a cable from the Commonwealth Bank of Australia enquiring whether a shipment to London of £1,000,000 sovereigns would assist the gold position and it was agreed that an affirmative reply be sent.

The Weekly Reports on Central Banks were submitted.

The following were submitted and referred to the Board

CT99  
CT4 01

1379



13<sup>th</sup> March 1929.

to the Court -

House List of Governors and Directors for the ensuing year.

Annual Statement of Accounts of the Pensions Reserve Fund,  
Supplementary Reserve for Pensions, Clerks Guarantee Fund  
and the Samaritan Fund.Half Yearly Accounts of the St Lukes Printing Works  
and the Works Department.

The Committee had before them a letter from A H Dyer, a cashier, in which he asked to be allowed to retire on the 9<sup>th</sup> June next on completion of 42 years' service. It was agreed to recommend to the Court that Dyer's resignation be accepted and that he be granted during pleasure and in accordance with the scale a Pension of £541.19.8 a year from the 10<sup>th</sup> June inclusive.

It was agreed to recommend to the Court of Directors that the following donations be granted -

|                       |      |
|-----------------------|------|
| London Fever Hospital | £105 |
| Reedham Orphanage     | £105 |

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 5<sup>th</sup> April next of £6 per cent. less Income Tax.

LC  
Office File P89.04

With reference to the Minutes of the 27<sup>th</sup> February as to the closing of Bath Street and Radswoth Street, St Lukes approving in principle and on the advice of Sir William Leese and ex-gratia payment to the Finsbury Borough Council, the Committee agreed that the amount of the payment be £5000

The Governor acquainted the Committee of the following matters -

13<sup>th</sup> March 1929.

(1) He read a letter from Sir Bertram Hornsby stating that as from the 1<sup>st</sup> March Sir Otto Niemeyer had been appointed as the representative of the Bank on the London Committee of the National Bank of Egypt in the room of Lord Bullen of Ashbourne, who had asked to be relieved of the duties which he had undertaken in December 1922 at the request of the Court.

1878  
or 100

(2) He had supported while in Paris a tentative plan for the organisation of a new International Bank which has been submitted to the Committee of Experts on Reparations, and is receiving the support of the various Members of the Committee.

(3) He proposed, subject to the advice and approval of the British Museum, to buy for the Bank Museum two Roman Gold Bars which would be offered for sale in Frankfurt on the 25<sup>th</sup> instant.

Wednesday, the 20<sup>th</sup> March 1929

Present

The Governor

The Deputy Governor

Mr Trotter

and

Mr Shaw

Mr Grenfell attended

by invitation

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.

The Weekly Reports on Central Banks

were submitted together with the Monthly Report of the Committee on Advances and Discounts.

The following were submitted and referred to

the Court -

Minutes of the Staff Committee recommending Appointments &c. and the Election of 13 Probationary Male Clerks to the Permanent Staff.

Quarterly



20<sup>th</sup> March 1929.

## Quarterly Report of the Staff Committee on payments made &amp;c.

It was agreed to recommend to the Court that Mr B G. Cattermole, Deputy Chief Cashier, be appointed Chief Cashier from the 27<sup>th</sup> instant inclusive, with the Salary of £4500 a year attaching to the post, to fill the vacancy caused by the appointment of Mr O P. Mahon to the post of Comptroller.

With reference to the Election of Members of the Committee of Treasury for the ensuing year, it was agreed to recommend to the Court that Lord Revelstoke, Sir Charles Addis, Sir Jonah Stamp and Sir Basil Blackett, if abroad on Public business at the date of the Election be nevertheless enabled to record their Votes, due precautions being taken to preserve the secrecy of the ballot.

With reference to Minutes of the 6<sup>th</sup> March and earlier, the Governor reported the present position in regard to the British Italian Corporation and explained a scheme, which has been proposed but so far has not been supported, for forming a Holding Company to take over the British Company and the Italian Company. He was prepared through the Anglo International Bank to join to the extent of £250,000 in a satisfactory scheme which would assist the difficult situation and ensure both safety and such control as would lead to the eventual disposal of the business, perhaps to the Anglo-International Bank.

+1870

GT 132  
CT 123

Wednesday, the 27<sup>th</sup> March 1929.

Present

The Governor  
The Deputy Governor  
Mr Trotter  
Mr Shaw  
Mr Lubbock attended  
by invitation  
The Comptroller also  
attended

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.

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank Polski.

+ 103  
Establs

It was agreed that an Allowance of £50 a year be granted during pleasure and in accordance with the scale to Mrs Jessie Jacob, the widow of A F Jacob, a Pensioner, formerly a 1<sup>st</sup> Class Clerk in the Power of Attorney Office.

It was agreed to recommend to the Court of Directors that the following pensions be granted during pleasure and in accordance with the scale.

J P Swindells, a Cashier, aged 65 on the 31<sup>st</sup> March, £600 a year from the 1<sup>st</sup> April inclusive.

William Challis, a Superintendent in the Dividend Accounts Office, aged 60 years, service 41 years, £460 a year from the 1<sup>st</sup> July inclusive.

A letter from the Chancellor of the Exchequer applying for Advances during the ensuing quarter was submitted and referred to the Court.

1 B 79

With reference to Minutes of the 13<sup>th</sup> March, the Deputy Governor informed the Committee that it had been agreed with the Treasury that in the future as in the past the Bank are to be free at any time at their discretion to offer such special inducement as they may see fit to facilitate any shipments of gold to London from abroad, and that any out-of-pocket expenses thereby incurred may properly be defrayed out of the income of the Issue Department.



27<sup>th</sup> March 1929.

## Issue Department.

The Governor acquainted the Committee of the following matters -

1. There have been vague complaints by the Foreign Office of the failure of Finance and Industry to keep in touch with the Foreign Office or with one another; so far as foreign loans and industrial contracts are concerned there is a lack of co-ordination, with the result that much of this business has perhaps been lost to London. At the invitation of Sir Austen Chamberlain he gave an address on this subject at the Foreign Office last week and was afterwards questioned for some time. Regarding the experience of recent Stabilisation loans for Poland and Roumania it appeared evident -

(i) That the Government would not accept any financial responsibility towards the Bankers in respect of any foreign loan, the issue of which <sup>in London</sup> might be considered desirable on political or industrial grounds notwithstanding its unattractiveness as a financial operation.

(ii) That in the opinion of the Foreign Office, London should not as a matter of settled policy refuse to handle any foreign loan merely because it had not the support or approval of the Financial Committee of the League.

It was, therefore, evident that complete co-ordination such as the Foreign Office wished was impossible.

2. With reference to the last and earlier Minutes, a fresh scheme in regard to the British Italian Corporation on a more satisfactory basis has now been proposed, and has been well received. He had agreed in one way or another to contribute £250,000 through the Anglo-International Bank and has arranged with the three clearing Bankers concerned that the following points shall be settled subject to his approval:-

The Chairman and Board of the British Italian Corporation  
The Chairman and Board of the Holding Company and the control of the Holding Company.

+B89  
CT 121  
CT 166

+B70  
CT 132  
CT 123

27<sup>th</sup> March 1929H381  
N/E - CT40

3. We read a memorandum prepared in the Bank which had been sent to the Treasury on the subject of the French Commercial Debt of about £80000000 to the United States which falls due on the 1<sup>st</sup> August next unless the Debt Agreement between France and the United States has been previously ratified.

H362  
CT183

4. A difficulty has arisen as to the Chairmanship of the Industrial Steel Merger. Some time ago the originators of the scheme agreed in principle to appoint Sir V. Gowers chairman at £10000 a year for 5 or 7 years, but the new units, while in principle prepared to appoint an outsider, are not prepared to pay him so large a salary. In order to assist Rationalisation he proposed privately to offer to contribute, say £10000 or £2000 a year for at least 5 years in the event of an agreement with an adequate outsider on the original lines.

CT70.03

H375

5. We read to the Committee a letter from Mr Whigham as to his election to the Court for the coming year with his reply.

H361  
CT192

The Governor stated that the reorganised Company of Messrs Armstrong, Whitworth & Co. Ltd would require the usual commercial banking facilities, and he asked the Committee to consider whether the Bank would be prepared to afford these facilities or would prefer this account to be transferred to Lloyds Bank.

Wednesday, the 3<sup>rd</sup> April 1929

Present

The Deputy Governor  
Mr Lubbock  
Sir Charles Addison

The Comptroller also  
attended

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.

The Weekly



3<sup>rd</sup> April 1929

The Weekly Reports on Central Banks were submitted.

It was agreed that the following Allowances be granted during pleasure and in accordance with the scale, viz:-

1 B 84  
Estab.

To Mrs Elizabeth Sims, the widow of A E Sims, a Pensioner, formerly Chief Clerk at the Birmingham Branch £60 a year.

1 B 83  
Estab.

To Mrs Fanny Avery, the widow of J T Avery, a Pensioner, formerly a House Porter £18 a year.

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

With reference to Minutes of the 13<sup>th</sup> March authorising the purchase for the Bank Museum of two Roman Gold Bars, the Deputy Governor reported that these Bars had been bought at a cost of £705.

Wednesday, the 10<sup>th</sup> April 1929.

Present

The Deputy Governor  
Mr Lubbock  
and  
Mr Shaw.

The Comptroller also  
attended.

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.

The Weekly Reports on Central Banks were submitted together with the Monthly Report of the National Bank of Roumania.

1 B 85  
Estab.

It was agreed that an Allowance of £52 a year be granted, during pleasure and in accordance

10<sup>th</sup> April 1929

with the scale, to Mrs L G Brent, widow of E G Brent, a 1<sup>st</sup> class Clerk in the Public Drawing Office.

The Deputy Governor acquainted the Committee of the following matters -

(1) With reference to Minutes of the 27<sup>th</sup> March and earlier he had no late information as to the position in regard to the British Italian Corporation, but he understood that frequent Meetings were being held at which steady progress was being made with the scheme for the formation of a Holding Company to take over certain assets of the Banca Italo Britannica.

(2) He read a letter from Sir Kenneth Stewart as to the progress of the Lancashire Cotton Corporation Limited.

(3) On hearing of the Indian bomb outrage he had sent a message of sympathy in the Governor's name to Sir George Schuster, who had stated in his reply that his personal injuries were trifling.

Wednesday the 17<sup>th</sup> April, 1929.

Present

The Governor

The Deputy Governor

Mr Lubbock

Mr Grenfell attended  
by invitation.

The Comptroller, also  
attended.

The proceedings of the last Committee were read and agreed.

The Minutes of the Meeting of the 27<sup>th</sup> March were approved as amended.

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.

The Weekly Reports on Central Banks were submitted.

The Monthly



119  
17<sup>th</sup> April 1929

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

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

The Secretary reported that the date of Lord Bullen's return to this Country was uncertain and might even be delayed beyond the 27<sup>th</sup> June. Under the Charter his absence beyond that date would render his Election void and the Bank would be compelled to arrange for the Election of another Director in his place, he being ineligible. A cable had therefore been sent to Lord Bullen to remind him of the position and a confirmatory letter would be sent in a few days to await his arrival in New York in about a month's time.

The Governor acquainted the Committee of the following matters—

1. With reference to the last and earlier Minutes with regard to the British Italian Corporation, the arrangements for the Holding Company were now practically complete. There will be 6 Directors, one to be appointed by the Prudential Assurance Company as Trustees, 3 by the Clearing Banks and 2 by the Bank. There will be £3,000,000 Income Bonds, which will be held to a large extent by the 3 Clearing Banks concerned; £250,000 Shares to be held by the Bank in respect of their proposed contribution and Shares to be exchanged for all but about 10% of the £1,000,000 existing Shares of the British Italian Banking Corporation. He proposed that the Directors to be appointed by the Bank should be Sir Henry Strakosch and Mr Rodd; the former as Chairman and the latter owing to his exceptional position in connection with negotiations in Italy.

2. He had promised to lend any pictures, prints or other articles of interest to the Economic Historical Exhibition at Amsterdam this year.

1387  
CT 70-03

1376  
CT 132

1397  
Historical Records

17<sup>th</sup> April 1929

CT 192

120

3 With reference to Minutes of the 18<sup>th</sup> April 1928, the period for the payment of £10,000 a year then approved to Mr Frater Taylor is about to end, and he did not propose that the Bank should make any further payment to him. Mr Frater Taylor had agreed to continue as a Director of Messrs Armstrong Whitworth Company, but he was not willing to act as the Chairman; he was however, prepared to act for purpose of re organisation as the temporary Chairman of the Pearson & Knowles group. In place of Mr Frater Taylor it was proposed to invite Col. Bonides to act as permanent whole time Deputy Chairman and Major General Guy Dawnay as Chairman. He considered that the latter appointment was advisable in order to improve the relations between certain re organised groups of iron and steel companies.

+ B 61  
CT 192

With reference to Minutes of the 27<sup>th</sup> March it was agreed to recommend to the Court that Messrs Armstrong Whitworth & Company be requested to transfer their current account elsewhere as the Bank did not see their way to offer them the usual Banking facilities in the future.

Wednesday, the 24<sup>th</sup> April 1929

Present

The Deputy Governor  
and  
Mr Lubbock  
Mr Grenfell and  
Mr Goschen  
attended by invitation.  
The Comptroller also  
attended.

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.

The Weekly Reports on Central Banks were  
submitted together with the Monthly Report on the Bank of Poland.

The Committee had before them a letter from  
Winifred Rennie, a Woman Clerk, in which she tendered her  
resignation from the service of the Bank on account of ill health.  
It was agreed.



24<sup>th</sup> April 1929

It was agreed to recommend that Miss Rennie's resignation be accepted and that she be granted a Pension equal to full salary to the 25<sup>th</sup> July inclusive and thereafter of £40 a year, during pleasure and in accordance with the scale.

It was agreed to recommend to the Court that the Regulations affecting the general conduct of business at the Head Office and Branches be adopted as revised.

The Committee had before them a letter from Mr Kitson requesting permission to join the Boards of the Ford Motor Companies of France and Holland and stating that in a prospectus of the latter company which had recently been issued he had without his knowledge been described as a Director of the Bank.

It was agreed to recommend to the Court that Mr Kitson be granted leave to join the Boards of these two Companies and to call the attention of the Court to the fact that their Order of the 17<sup>th</sup> January last had been inadvertently contravened.

1888  
N/E

The Deputy Governor informed the Committee that on two previous occasions he had refused applications for a subscription from the Bank to the Hull Port Development Fund but that a third application had now been received. The other Banks had in the first instance refused to subscribe, but one of them had now agreed to contribute and three of the others were considering the matter.

The Committee agreed that the Bank must contribute if the other Banks decided to do so.

The Committee considered the terms of the Resolution to be moved in Court on the death of Lord Revelstoke and the Deputy Governor read a letter of sympathy which had been received from the Chairman of the Stock Exchange.

1878  
CT 127.

With reference to Minutes of the 12<sup>th</sup> December 1928 and earlier, the Deputy Governor acquainted the Committee that the present position of the Cafe Royal was serious;

21<sup>st</sup> April 1929

their debts were increasing and according to a statement by one of their Directors they had recently been making a trading loss of about £1000 a month. The Bank had granted an extension of the period for repayment of interest on their loan and this period expires to-morrow.

It was agreed that Messrs Deloitte be requested to examine the accounts of the company and report as soon as possible as to their position and that no definite action be taken until this report has been received.

Wednesday, the 1<sup>st</sup> May, 1929.

Present

The Governor  
and  
The Deputy Governor  
Mr Trotter  
Mr Whitworth  
and  
Mr Goschen  
attended by invitation.  
The Comptroller also  
attended.

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.

Weekly Reports on Central Banks were submitted.

The following were submitted and referred to the Court, viz:-

Report of the Audit Committee on Audits taken by the Audit Department between the 22<sup>nd</sup> January and the 19<sup>th</sup> April 1929.

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

A Notice for issue to the Staff in regard to the Advisory Council of Directors and Staff.

It was agreed to recommend to the Court of Directors that the Governor be empowered to make a donation on behalf of the Bank of a sum not exceeding £1050, to the special Thank Offering Fund which has been opened by King Edwards Hospital Fund.

With reference to the last and earlier Minutes the Deputy Governor



1<sup>st</sup> May 1929H 97  
CT 124

Deputy Governor informed the Committee that the position of the Cafe Royal was even worse than had been anticipated and following on a Meeting yesterday between the Directors of the Company, Messrs De Wittes and Messrs Freshfields, a Receiver was put in last night on behalf of the Bank.

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

H 91  
CT 71 04

(1) He proposed to agree to a request by the Chancellor of the Exchequer, that the Governor of the Bank, or someone nominated by him, should, in case of need, act as arbitrator in a matter involving the possible recovery of monies alleged to be due to H M Government from a foreign source.

CT 171 H 86  
CT 19201 (2)

(2) He had now agreed the terms of Sir James Cooper's engagement with the Bank on the basis of £5,000 a year, less fees, for a period of 4 years as approved by the Committee on the 25<sup>th</sup> January last, and Sir James had become a Director of Vickers-Armstrong Ltd.

H 90  
CT 171  
CT 178

(3) With reference to the undertaking mentioned in the Minutes of the 20<sup>th</sup> February that the Bank would find money to a moderate extent in support of any approved scheme of rationalisation which was to their satisfaction established on an economic and a profitable basis, he had agreed in principle to consider the question of an Advance to the Shipbuilding Industry as a preliminary step to rationalisation subject to certain conditions which representatives of the Shipbuilding Conference were now considering.

CT 90 03.  
CT 117.

(4) With reference to Minutes of the 8<sup>th</sup> April 1925 and later agreeing that a Bank under the domination of a clearing Bank or affiliated to or controlled by a 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, he wished to place on record the names of the following foreign operating Banks connected with clearing Banks to whom these

1<sup>st</sup> May 1929

Minutes applied -

Bank of London and South America,  
 Bank of British West Africa,  
 British Overseas Bank,  
 Barclays Bank (France),  
 Barclays Bank (Canada),  
 Barclays Bank (Dominion, Colonial and Overseas),  
 Lloyds and the National Provincial Foreign Bank,  
 National Bank of New Zealand,  
 Westminster Foreign Bank.

H370

The acceptances of the British Italian Banking Corporation are being taken for the present by special arrangement.

H389

CT 121  
CT 166

(5) With reference to Minutes of the 27<sup>th</sup> March last, he read a memorandum of conclusions reached at a recent discussion with Sir Arthur Satter and Sir Otto Niemeyer as to the policy of the Bank of England and the London Bankers generally in regard to the League of Nations and Foreign Government Loans.

H299

CT 95 05

He also submitted to the Committee a provisional list of the Members of the Gold Committee referred to in Minutes of the 12<sup>th</sup> December last.

(6) At the request of Sir Josiah Stamp, Dr Stewart has gone to Paris to assist the Reparations Committee.

H442

H229

CT 118 02

The Committee discussed the question of Instalment Acceptances which was before the board on the 18<sup>th</sup> and 25<sup>th</sup> April.

Wednesday, the 8<sup>th</sup> May 1929.

Present

The Governor  
 The Deputy Governor  
 Mr Lubbock  
 Mr Shaw  
 Mr Grenfell 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.

The Comptroller  
 also attended.

It was agreed that no alteration be recommended in the



8<sup>th</sup> May 1929

in the Bank Rate.

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Roumania.

The Committee had before them a letter from B. R. Covey, a Superintendent in the Bill Office, in which he asked permission to retire from the service on the 5<sup>th</sup> August next. Covey is 60 years of age and has completed 40 years' service.

It was agreed to recommend that Covey's resignation be accepted and that he be granted a pension of £450 a year during pleasure and in accordance with the scale from the 6<sup>th</sup> August inclusive.

It was agreed to recommend to the Court of Directors that permission be granted to Mr Wallace to join the Board of the Indemnity Mutual Marine Assurance Company Limited and to Mr Lubbock to join the Boards of the Forest Hill Brewery Company Limited and Jude, Hambury and Company Limited, both of which are controlled by Messrs. Whitbread and Company Limited.

A Minute of the Committee on St Luke's was submitted recommending an expenditure of £52,800 on the erection of a new boiler house and the installation of oil-burning boilers sufficient to provide heating and steam-raising facilities for the whole of the St Luke's site. In view of the high cost of the proposed installation and of the changes now in progress in regard to methods of heating it was agreed that the Committee on St Luke's be requested to consider such questions as the use of electricity or other fuel in this connection.

The Governor informed the Committee that M. Popovics, the Governor of the National Bank of Hungary, had been in London and had discussed his need for an advance and a credit. The National Bank of Hungary was one of the first Banks to feel the pressure due to the high rates prevailing in America and their position had been deteriorating for some time. They

15100  
Office file  
P89

1630  
CT 41

8<sup>th</sup> May 1929

had lost practically all their reserves and there was a danger that their proportion might fall below the limit which it was their policy to maintain. They had hoped to obtain a mortgage loan in America, but although negotiations were still proceeding, no money would be forthcoming until the deliberations of the Reparations Committee had reached a satisfactory conclusion. M. Popovics had suggested that the National Bank of Hungary should be free to apply for an advance of £1,000,000 and a credit of £1,000,000 on the understanding that gold to that amount would remain here until the loan was repaid and that the Federal Reserve Bank would agree to participate, but no decision had been reached.

In this connection, the Governor mentioned that in his view other Central Banks would before long find themselves in the same position as the National Bank of Hungary and he stated that during the past week an application had been received from the Reichsbank for a credit of £5,000,000: he had agreed to this in principle if they would allow the Bank to invite other Central Banks to participate, but he had now heard that they did not wish to proceed further in the matter at present.

Wednesday, the 15<sup>th</sup> May 1929.

Present

The Governor  
The Deputy Governor  
and  
Mr Lubbock.  
Sir Robert Kinderley  
and  
Mr Gladstone  
attended by invitation  
The Comptroller also  
attended.

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.

The Weekly Reports on Central Banks were submitted together with the Monthly Report of the Committee on Advances and Discounts.

The following



127  
15<sup>th</sup> May 1929

The following were submitted and referred to the Court

Minute of the Staff Committee recommending appointments &c.  
Report of the Staff Committee recommending the election of 114 Probationary Male clerks to the Permanent Staff.  
Report of the Election of Representatives of the Staff to the Advisory Council of Directors and Staff.

+ 98 +  
CT. 98

With reference to Minutes of the 16<sup>th</sup> January last recommending that the Bank's share in Overton Mill be re sold for £107,500 to Messrs Portals Ltd on their entering into an Agreement which will give the Bank a sufficient measure of control of both the Overton and Laverstoke Mills, the Deputy Governor reported that Messrs Portals Ltd had now paid the purchase money, deposited the title deeds and signed the necessary Agreement.

Following on the action of the Bank in the case of the Queensland Issue in 1924 it was agreed that as a further exception the charge to be made by the Bank in respect of the redemption of £12,703,734 Queensland Government 5½% Inscribed Stock 1926/9 should be £10,000 instead of £1,000 per million; although in this case the stock to be created by conversion would be inscribed at the Commonwealth Bank of Australia.

+ 102 +  
CT. 177

The Deputy Governor informed the Committee that the Bank had agreed to make advances - up to a possible limit of £800,000 - to the Agricultural Mortgage Corporation Ltd. on their undertaking to repay the amount advanced out of the proceeds of an issue of debentures or debenture stock to be made at the earliest convenient opportunity as determined by the Bank.

The Governor acquainted the Committee of the following matters -

+ 103 +  
CT. 41

(1) With reference to the last Minutes as to granting credits to the Reichsbank and the National Bank of Hungary, he read to the Committee a cable and a letter which he had sent to the Governor of the Federal Reserve Bank. The question of granting

15<sup>th</sup> May 1929

128

credits to one or both of these Banks is in abeyance until applications shall be made and permission obtained to invite other Central Banks to participate and no steps in this direction will be taken until the views of the Federal Reserve Bank have been ascertained: in the meantime, however, he has promised to advance £500,000 to the National Bank of Hungary to meet any pressing needs.

+B-70  
CT 132

(2) With reference to Minutes of the 17<sup>th</sup> April and earlier, the position in regard to the British Italian Corporation continues to worsen. He understood that someone from Rome was now in London to discuss a possible purchase of an interest in the Banca d'Italia and that another person was coming to London to discuss the future Management. In both cases Mr Cooper, the Chairman of the Holding Company is expected to act as sole negotiator, assisted by Mr Benson and Mr Rodd: while the three clearing Banks take no direct part in the negotiations.

Arising out of the present difficult situation especially the withdrawal of deposits in Italy, he had been pressed to make a deposit with the British Italian Corporation in London, but he did not propose to agree to this request, particularly in view of the obligation referred to in Minutes of the 23<sup>rd</sup> January last, to take their acceptances.

+B-11  
CT 126

(3) With reference to Minutes of the 25<sup>th</sup> April 1928 the Bank have made advances to the Central Electricity Board during the past year on their undertaking to repay such advances out of a public issue to be made in due course through the Bank. In order to maintain the independence and freedom of the Board in future policy, this issue, which it is proposed to make before the General Election, will be made without the Guarantee of H.M. Treasury: but at a price comparable with that of the highest class of gilt-edge securities.

+B-2  
CT 133

(4) With reference to Minutes of the 27<sup>th</sup> March last, the units of the Steel Merger had refused to agree to the appointment of an outside chairman and the proposed contribution from the Bank would not be made.

CT 90-03

+B-16

(5) With reference to Minutes of the 22<sup>nd</sup> December 1926, Mr Gordonrough at a recent interview on the pressing financial needs of India had maintained that, if his aims on behalf of Barclays Bank to control Overseas Banks



15<sup>th</sup> May 1929

Overseas Banks had been supported rather than opposed by the Bank, there would now be adequate funds in London to supply the liberal needs of India and other would-be borrowers, but that on the contrary these aims had been opposed and the credit of his subsidiary Bank had been almost damaged by the attitude of the Bank towards Barclay's Bank (Dominion, Colonial and Overseas)

+342  
+620  
CT 113 02

(6) He read to the Committee a note by the Principal of the Discount Office defining the tradition and custom of that Office in regard to the discount and purchase of Commercial Bills.

Wednesday, the 22<sup>nd</sup> May 1929

Present

The Governor

Mr Lubbock

Sir Alan Anderson

Mr Trotter attended  
by invitation

The Comptroller also  
attended

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 of £232 a year be granted, during pleasure and in accordance with the scale, to Miss F. E. Taylor, a 1<sup>st</sup> Grade Shorthand Typist, from the 28<sup>th</sup> May inclusive.

The Weekly Reports on Central Banks were submitted.

A Report of the Staff Committee on the case of F. D. Murphy, an Assistant attached to the Accountants Department, who had been suspended by the Deputy Governor for absence without leave, was submitted and referred to the Court, and the Governor informed the

22<sup>nd</sup> May 1929.

Committee that on the recommendation of the Staff Committee he had yesterday removed the suspension.

1021

CT 71.01

CT 177

With reference to Minutes of the 21<sup>st</sup> March 1928 and earlier the question whether the Governor of the Bank should act as the Trustee for Bonds to be issued by the Agricultural Mortgage Corporation was discussed and deferred.

CT 15

The Governor informed the Committee that following a rise of 2 per cent less than a month previously, the National Bank of Roumania had last week raised their Rate from 8 to 9½ per cent; these increases, coming so soon after stabilisation, indicated a difficult position.

+ 216  
CT 90.03

With reference to the last Minutes as to his recent interview with Mr. Goodenough, the Governor read to the Committee a note which he had made on the present financial position of the Government of India and their probable requirements during the coming months.

### Wednesday, the 29<sup>th</sup> May, 1929.

#### Present

The Governor

Mr Lubbock

Sir Alan Anderson

Mr Whitworth

attended by invitation

The Comptroller also  
attended

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 Committee had before them a letter from Alfred Boyd, a House Porter at the Hull Branch, in which he tendered his resignation from the service on account of continued ill-health. Boyd is 64 years of age and will have completed 37 years' service on the 30<sup>th</sup> June next. It was agreed to recommend that Boyd's resignation be accepted as from that date and that he be granted.



131<sup>th</sup>  
29<sup>th</sup> May 1929

granted, during pleasure and in accordance with the scale,  
a Pension of £156-14 a year from the 1<sup>st</sup> July inclusive.

LA 27  
N/E

It was agreed to pay to the Operatic,  
Dramatic and Orchestral Society the sum of £185 to make good  
the deficiency in their funds for the past year.

The Weekly Reports on Central Banks were  
submitted together with the Monthly Report on the National  
Bank of Roumania.

LA 21

CT 177  
CT 71 01

With reference to the question which was  
considered last week as to whether the Governor of the Bank  
should act *ex officio* as the Trustee for Debenture Stock to be  
issued by the Agricultural Mortgage Corporation, the Governor  
read to the Committee a letter from Messrs Freshfields  
expressing the opinion that under the Law of Property Act  
1925 there was a technical objection to the appointment of a sole  
Trustee and, moreover, that it was inadvisable on other  
grounds for the Governor of the Bank to act in this capacity  
and he stated that he proposed to decline the position.

The Governor acquainted the Committee  
of the following matters -

LB 92  
N/E. CT 32.

1. In March last the Finance Minister in India had  
informed him that it was proposed to set up a Committee,  
composed of Europeans and Indians, to consider the whole  
position in regard to Banking in India and had requested  
him to suggest the names of suitable European Members  
of that Committee, but the suggestions he then made had been  
neither accepted nor declined. He had now been informed by  
the Finance Minister that he proposed first to appoint a  
Committee of Indians to make a Report and that eventually  
European experts would be invited to review and discuss  
this Report; this would seem to be a novel and unwelcome  
method of procedure.

LC 30  
ET 41

2. With reference to Minutes of the 8<sup>th</sup> and 15<sup>th</sup> instant as to  
the granting of a credit to the National Bank of Hungary,

29<sup>th</sup> May 1929

132

the credits so far granted to Central Banks have been Stabilisation Credits given on easy terms to promote confidence in their respective currencies. Matters are now entering upon another stage. Should there be any future credits, they will not be for Stabilisation but for maintenance of stability and he believes that it will be necessary to impose on the borrowers conditions such as the following:-

- (1) That the security to be provided shall be held in the borrower's country under the control of some independent authority.
- (2) That a high rate, based on the borrower's Bank Rate, must be charged.
- (3) That there shall be an engagement commission.
- (4) That no sum be lent for a shorter period than 60 days.
- (5) That the portfolio of the borrower must be contracted.

These conditions are admittedly unpleasant, but he believed them to be in principle necessary for the maintenance of the Gold Standard if the existing American conditions continue over a further period.

1B-11  
CT 126

3. The issue of Stock by the Central Electricity Board referred to on the 15<sup>th</sup> May was only subscribed by the Public to the extent of about 20 per cent. the Bank's investment stands at £250,000 nominal.

1B-8  
CT 106

4. He read to the Committee a note, which had also been sent to the Treasury, of a recent interview he had had with M. Voligin who had come at the request of the Dutch Minister to discuss the domicile of the proposed Reparations Bank, and of a letter from the National Bank of Switzerland.

5. He hoped to go to America for a holiday in about three weeks' time.

CT 70.  
CT 70 03.

The Committee considered the question of the appointment of a Director to fill the vacancy on the Board which has been caused by the death of the late Lord Revelstoke and it was agreed to recommend that Mr Peacock be invited to allow his name to be submitted to the Proprietors. The Committee realise that it has been a tradition of the Bank that no member of a Firm shall immediately succeed to a place on the Board left vacant



29<sup>th</sup> May 1929.

vacant by the resignation or death of another member of the same Firm, but this is an exceptional case. Mr Peacock resigned the seat on the Court to which he had been elected in his own right in deference to another tradition of the Bank that no two members of one Firm should be on the Court at the same time. This condition is now ended and in the opinion of the Committee Mr Peacock's re-election at the present time would not be a breach of either tradition, but a recognition of his freedom to occupy a position to which he had previously been elected.

Wednesday, the 5<sup>th</sup> June 1929.

Present

The Governor

The Deputy Governor

Mr Lubbock

Sir Alan Anderson

The Comptroller also  
attended.

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.

Weekly Reports on Central Banks were submitted.

It was agreed that an Allowance of £50 a year be granted, during pleasure and in accordance with the scale, to Mrs L C Bradley, widow of W.H. V.V. Bradley, a Pensioner.

It was agreed to recommend to the Court that H. S. Chapman, a Superintendent in the 5<sup>th</sup> War Stock Office, be allowed to retire from the service on attaining the age of 60 years on the 31<sup>st</sup> August next and that he be granted, during pleasure and in accordance with the scale, a Pension of £457.10:- a year from the 1<sup>st</sup> September inclusive.

1893  
Establs

5 June 1929

It was agreed to recommend to the Court that the following be appointed as their representatives on the Advisory Council of Directors and Staff for the ensuing year -

Sir Alan Anderson (Chairman)

Mr Lubbock

Mr Gladstone

Sir Ernest Harvey

Mr Walker

Mr Lefaux

The following were submitted and referred to the Court -

Minute of the Staff Committee as to applications for Male clerkships.

Letter from Mr Marks asking permission to serve on the Board of the J Henry Schroder Trust.

The Governor submitted and discussed the following memoranda -

1. By the Comptroller on a recent interview between the Governor and Mr Hatry as to the rationalisation of the Steel industry.
2. By Sir Otto Niemeyer on the National Bank of Egypt. (The proposed to ask Sir Otto to submit a similar memorandum to the Committee every six months.)
3. By Sir Otto Niemeyer on a recent interview with Mr Tsuchihara in regard to stabilisation in Japan.
4. By Mr Siepmann, with copies of correspondence between the Treasury and the French Financial Attaché, in regard to recent Exchange operations of the French Treasury.

The Governor asked the Committee to consider the following questions, which he would bring forward again next week -

(1) Whether it is right in principle for Directors of the Bank to be members of the London Boards of Overseas Banks whose centre of gravity is within the jurisdiction of another Central Bank, e.g., the Bank of New South Wales which opposes the policy in Australia of the Commonwealth Bank or an Indian Exchange Bank which is likely to oppose the future policy of any Indian Central Bank.

(2) Whether



5<sup>th</sup> June 1929

CT 99.03 + 0.49

(2) Whether, as stated in the Minutes of the 5<sup>th</sup> January 1927, the Floating Debt is too high and should be reduced and, if so, what measures are possible to achieve this end.

Wednesday, the 12<sup>th</sup> June 1929

Present

The Governor

The Deputy Governor

Lord Buller of Athdowne

Mr Lubbock

Sir Alan Anderson

and

Sir Charles Addis

The Comptroller also  
attended.

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 alterations be recommended in the Bank Rate.

In this connection and also with regard to the question considered last week as to the Floating Debt, the Governor reviewed the whole situation at home and abroad which in his opinion is threatening. The American position appears likely to continue at the present level of rates, leading to local increases in the Autumn and meanwhile Europe is being drained of her reserves; in fact, if the present position is long maintained, he fears that in some of the countries of Europe the Gold Standard may be endangered. Our own position is not satisfactory; our holding of dollars is only half the amount we held a year ago while the Treasury hold none in reserve. We are threatened sooner or later with a loss of gold and while when that happens difficulties may at once arise over the tenders for Treasury Bills, their early reduction seems practically impossible.

We asked the Committee to consider a policy for the coming months e.g., whether special attention could be paid to the Floating Debt, whether any particular action should be taken in regard to tenders for Treasury Bills and whether they were prepared to lose gold, and if so how much before raising the Bank Rate.

+ 0.49

CT 99.

+ CT 99.03

12<sup>th</sup> June 1929.

With reference to Minutes of the 22<sup>nd</sup> May last a further Report of the Staff Committee on the case of F.D. Murphy, an Assistant in the Accountants' Department, who had again been absent without leave was submitted and referred to the Court.

It was agreed to recommend to the Court that Miss M.A. Hill, an Assistant to the Superintendent of Women Clerks, who will attain the age of 50 years on the 18<sup>th</sup> instant be allowed to retire from the service as from that date and be granted a Pension of £240 a year, during pleasure and in accordance with the scale, from the 19<sup>th</sup> June inclusive.

100  
Office File  
Pg 9

A Report from the Committee on St Luke's dealing with questions as to heating and fuel raised by this Committee on the 8<sup>th</sup> May last in connection with the proposed scheme for the erection of a new Boiler House on the St Luke's site was considered and, in view of the conclusions that have been reached, it was agreed that the Minute of the 3<sup>rd</sup> May be now submitted to the Court.

Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank Polski.

Subject to the approval by the Court of the Minute of the Committee of the 29<sup>th</sup> May as to a Director to fill the existing vacancy on the Court it was agreed to recommend that a General Court for the election of a Director be held on Wednesday, the 19<sup>th</sup> instant.

The following memoranda by the Deputy Governor were submitted and discussed -

CT 115.01  
100  
100  
CT 90

- (1) As to Sinking Funds in respect of Colonial Loans.
- (2) As to the Statistics to be furnished periodically to the Board of Trade by the Bankers.

100  
CT 132

With reference to Minutes of the 17<sup>th</sup> April and earlier, the Governor read to the Committee a letter he had written to Mr O.E. Niemeyer in Rome summing up the present position in regard to the British Italian Corporation.

CT 195  
100

The Governor called the attention of the Committee to the



12<sup>th</sup> June 1929HCB  
CT 195

difficult position frequently arising by the desire of foreigners, chiefly Americans, to acquire control of British companies. This is, in his opinion, a political and imperial question but he has been unable to get any guidance as to a general policy; he hopes, however, that the Chancellor will arrange to set up a Committee privately to consider the question.

CT 70 04

With reference to the last Minutes the Committee again considered the position in regard to Directors of the Bank who may be invited to join the London Boards of Overseas (especially Indian and Dominion) Banks, whose activities and businesses lie mainly within the economic sphere of a Central Bank, with whose policy these Overseas Banks might find themselves in conflict.

The Committee were of opinion that Membership of Boards of this nature by Directors of the Bank might create difficulties in the Bank's relations with other Central Banks, the risk of which should be avoided. They therefore agreed to recommend to the Court that any future invitations to Directors of the Bank to join such Boards should be declined.

Wednesday, the 19<sup>th</sup> June 1929

Present

The Governor  
The Deputy Governor  
Lord Cullen of Ashburnham  
Mr Lubbock  
Sir Man Anderson  
Sir Charles Addis  
The Comptroller also  
attended

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.

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Roumania.

19<sup>th</sup> June 1929

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

The following were submitted and referred to the Court -

Minute of the Staff Committee recommending appointments etc.  
Quarterly Report of the Staff Committee on Payments made etc.

It was agreed to recommend to the Court that Pensions be granted, during pleasure and in accordance with the scale, to the following persons -

|                   |                                                                                                                                             |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| E. A. Waterfield, | Senior Cashier. Age 60 on the 18 <sup>th</sup> September next. Service 41 years. £736 a year from the 19 <sup>th</sup> September inclusive. |
| A. J. Mitchell,   | a Cashier. Age 61. Service 43 years. £576 a year from the 15 <sup>th</sup> September inclusive.                                             |
| F. J. Plummer,    | a Cashier. Age 62. Service 43 years. £573:11:4 a year from the 1 <sup>st</sup> October inclusive.                                           |

164  
Office File  
M134

The Committee had before them a letter from the Chairman of the Staff Publications Committee with regard to the financial position of "The Old Lady". It was agreed in principle that the Bank should contribute, say, £100 a year, or such sum as may be required; the method of contribution to be determined later.

The Governor acquainted the Committee of the following matters -

1. Mr C. F. Whigham has been appointed British Member of the Transfer Committee of the Reparation Commission as from the 11<sup>th</sup> June in the room of Mr Henry Bell.

2. In accordance with the Minutes of the 8<sup>th</sup> March 1922, he has informed Messrs Mullens, Marshall & Company that their name may appear on the prospectus of a Trustee Security to be issued by a Director's Firm (Canadian National Railway Bonds guaranteed by the Canadian Government) but that this does not create any precedent for the future, especially in respect of a Trustee Security which may be issued elsewhere than by a Director's Firm.

3. He had agreed that, if invited, Sir Basil Blackett should give evidence before the Union Commission.

4. With

CT 70.04



19<sup>th</sup> June 1929

CT. 10

+B-7

+B-61

CT. 192

CT. 100

+B-78

CT. 100. 02

+A-55

CT. 186

4. With reference to Minutes of the 11<sup>th</sup> November last as to the maintenance in Belgrade, at the cost in whole or in part of the Bank, of some person to continue the liaison with London and to attract any desirable financial business, he had now contributed £2000 as the Bank's share for the current year of the total cost of some £6500.

5. He laid before the Committee a statement of the Profit and Loss Account to the 30<sup>th</sup> April last of Sir W. G. Armstrong Whitworth and Company Limited and explained the unsatisfactory results.

6. He read to the Committee a memorandum with reference to the Bank for International Settlements and pointed out that the Bank of England will be required in September next to nominate two members of the Organisation Committee, one Director of British nationality and representative either of Finance or of Industry and Commerce and one member of the Special Advisory Committee, who must not be officially connected with the Bank of England nor with any Government Department. In addition to the above the Bank will have to guarantee an issue of not less than £2,000,000 Stock on which £750,000 cash would be payable at the outset.

7. With reference to Minutes of the 20<sup>th</sup> February last as to Rationalisation of Industry he outlined a scheme for Re organisation of Messrs. William Beardmore & Co. Ltd. In October last a plan had been prepared by a Committee providing for the sale of £1,000,000 1<sup>st</sup> Mortgage Bonds, but the whole basis was, in his opinion, unsound and he had refused to assist. The plan had failed but it now appears that unless some action is taken there is risk of immediate liquidation under Scottish law which should, if possible, be avoided. An improved scheme is therefore being considered under which he proposed, as an alternative to possible intervention by the Government, that the Bank should undertake to furnish about £75,000 of cash provided that he can first be assured that—

- (1) The company can carry on and finance themselves until the new arrangement is complete.
- (2) The assets of the company appear to be sufficient to cover the Capital.

19<sup>th</sup> June 1929

- (3) There is reasonable probability that the earnings over the next two <sup>or three</sup> years will be sufficient to meet all fixed charges.

The Committee agreed in principle to arrangements being made to secure to the Bank during the next four or five years a call on the services of experts - in addition to Sir James Cooper referred to in Minutes of the 14<sup>th</sup> November 1928 - as advisers to assist the Governors in work connected with the Rationalisation of Industry, and the persons mentioned in this connection were Mr Hugh Bischoff, who would advise on legal questions, and Mr Frater Taylor.

CT. 171

Wednesday, the 26<sup>th</sup> June 1929

Present

The Deputy Governor  
Lord Cullen of  
Aberdeen

Mr Lubbock

Sir Charles Addis

The Comptroller also  
attended.

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.

The Weekly Reports on Central Banks were submitted.

Historical Record  
File

1897

With reference to Minutes of the 17<sup>th</sup> April last, the Deputy Governor informed the Committee that three pictures and various prints had been sent to the Economic Historical Exhibition at Amsterdam.

Historical Record  
File

1897

A request from "The Banker" for permission to publish an article on the Rebuilding of the Bank as one of a series of articles on the Rebuilding of the Head Offices of Banks was declined.

A letter



26<sup>th</sup> June 1929

A letter from the Chancellor of the Exchequer applying for Advances during the ensuing quarter was submitted and referred to the Court.

+C2  
Office File 1454

With reference to Minutes of the 9<sup>th</sup> June 1926 it was agreed to recommend to the Court of Directors that the Bank's subscription of £200 a year to the Royal Institute of International Affairs be renewed for a further period of three years.

The Deputy Governor acquainted the Committee of the following matters -

(1) With reference to Minutes of the 9<sup>th</sup> January last, Mr R.N. Kershaw has in principle expressed his willingness to accept an appointment with the Bank to undertake work in connection with the Central Banks of the Dominions, and he proposed to write to Mr Kershaw and suggest definite terms for his consideration.

+C30  
CT. 41

(2) The terms of the proposed Credit to the National Bank of Hungary referred to in various Minutes of May last were now practically settled. The Credit is for £2,000,000 and the participants in equal shares are the Bank of France, the Nederlandsche Bank, the National Bank of Belgium, the Federal Reserve Bank and the Bank of England. By arrangement between all the participants the Bank of France will act as Agents for the custody of the Bulls which are to form the security for the Credit. In anticipation of the Credit the National Bank of Hungary require an immediate advance and for this purpose the Bank will advance £500,000 at once, this sum being a first charge on the Credit which will probably become operative next week.

+S55  
CT 156

(3) With reference to the last Minutes, the basis of a new scheme for the re-organisation of Messrs William Beardmore & Co. Ltd. was practically settled last week with the exception of two points -

(1) Whether the holders of £150,000 Debentures, who had assented to the original scheme, are bound by the new scheme and, if not, whether the cash with which to repay any of these Debentures which may not be converted will be forthcoming.

26<sup>th</sup> June 1929

(ii) Whether the Company could obtain the cash £100,000 - to enable them to carry on until the scheme is passed in about six weeks' time.

With regard to this latter point it has now been arranged that the Bank shall advance this amount on the guarantee of the Treasury.

+ 21  
CT 177

(41) The advances by the Bank to the Agricultural Mortgage Corporation in accordance with Minutes of the 15<sup>th</sup> May will be repaid out of the proceeds of the Issue of Stock now being made.

The question of the vacancy on the Committee of Treasury was considered.

Wednesday, the 3<sup>rd</sup> July 1929.

Present

The Deputy Governor  
Lord Bullen of  
Ashbourne

Mr Lubbock

Sir Alan Anderson

Sir Charles Addis

Sir Josiah Stamp

The Comptroller also  
attended.

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 Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank of Poland.

With reference to the last Minutes, the Deputy Governor acquainted the Committee -

+ C30  
CT 41

1. That the terms of the Credit to the National Bank of Hungary had been approved by all the participants and the Credit is now operative; when the Bills which are the security for the Credit are deposited with the Bank of France, the National Bank of Hungary will repay the Bank's Advance.

2. That arrangements have now been made for repayment in cash of any Debentures which may not be converted under the new scheme for reorganisation of Messrs William Beardmore & Co. Ltd.

The question.



3<sup>rd</sup> July 1929

The question of the vacancy on the Committee of Treasury was again considered.

1878  
CT 100

The question of the steps to be taken by the Bank in connection with the organisation of the Bank for International Settlements was considered. Sir Charles Addis informed the Committee that when in Berlin last Saturday Dr Schacht had told him that he had received a letter from Monsieur Moreau suggesting that the first meeting of the Organisation Committee should be held on or about the 15<sup>th</sup> July. Dr Schacht stated that he proposed to await news of the Bank's attitude towards this suggestion before replying to Monsieur Moreau; further he expressed the hope that the Governor would nominate himself as a member of the Committee, which he was told was extremely unlikely. Sir Charles Addis had also seen Mr Parker Gilbert who considered that delay was very undesirable, an opinion in which both Sir Josiah Stamp and Sir Charles Addis concurred.

On his return to London, Sir Charles Addis had seen Sir Richard Hopkins and Mr Leith-Ross who had suggested that the Bank should take no action regarding the nomination of representatives to the Organisation Committee until the Chancellor's view had been obtained as to the desirability of early action. We had since received a letter from the Treasury stating that the Chancellor considered that the Bank should take no formal action until the Governments have accepted in principle the new Plan, which would probably not be until August.

The Committee agreed that, having regard to the Chancellor's view, Sir Charles Addis be authorised to write informally to the Treasury and Dr Schacht and inform them that the Bank did not propose to take any action for the present. The Committee further agreed that the Deputy Governor should acquaint the Governor of the position.

Wednesday the 10<sup>th</sup> July, 1929

Present

The Deputy Governor  
Lord Bullen of  
Ashbourne  
Mr Lubbock  
Sir Charles Addis  
Mr Shaw  
and  
Sir Josiah Stamp.  
The Comptroller also  
attended.

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.

Weekly Reports on Central Banks were submitted.

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

It was agreed to recommend to the Court of Directors -

(1) That a Pension of £308 a year be granted during pleasure and in accordance with the scale from the 18<sup>th</sup> July inclusive to Miss K. M. Rumsey, Superintendent of Women Clerks, who will attain the age of 50 years on the 17<sup>th</sup> instant.

(2) That a Member of the Committee of Treasury be elected next week to fill the vacancy caused by the death of the late Lord Revelstoke.

(3) That Mr R. N. Kershaw whose engagement by the Bank was approved in principle by the Committee on the 9<sup>th</sup> January last be appointed on the following terms, viz:-

The appointment to take effect as from the date when his service with the League of Nations terminates,

To be whole time employment for a period of ten years,

Salary £1,500 a year with an increase of £200 at the expiration of the first year and a further increase of £200 at the end of the second year; future terms to be then considered,

Income and other Taxes to be borne by him,

No Pension,

Statutory Notice of three months on either side,

Subject to Annual re-election

To be



10<sup>th</sup> July 1939.

To be employed on work in connection with Central Banking.

+A-78  
ET 127

With reference to Minutes of the 1<sup>st</sup> May last as to the appointment of a Receiver on the part of the Bank in connection with the affairs of the Cafe Royal, the Deputy Governor read to the Committee a memorandum showing the position on the 30<sup>th</sup> April as ascertained by Messrs Deloitte. Several Meetings of the Creditors of the Company have since been held, and on each occasion the Directors have been granted an extension of time in the hope that they might be able to complete negotiations which were stated to be in progress for the sale of the property.

The next Meeting of Creditors will be held on the 12<sup>th</sup> instant and the Committee agreed that Messrs Deloitte be authorised to inform the Directors at that Meeting that no further extension of time will be granted, and to take such steps as they consider advisable.

The Deputy Governor read to the Committee a letter\* from the Governor stating that Mr Stewart will be unable to continue to reside in Europe after the end of this year and raising for consideration the alternatives of

- (1) A successor, or
- (2) An "alternate" to act in the absence of Mr Stewart in the event of the latter being able to continue to devote some part of his time to the Bank.

The Committee agreed that a successor should be appointed and the Deputy Governor was requested to authorise the Governor to sound Dr Sprague informally and at the same time to suggest to the Governor for his consideration the name of Mr Chandler as a possible alternative.

+C-26  
Office File  
P180+B-78  
ET 100

With reference to the last Minutes as to the Bank for International Settlements, the Deputy Governor read to the Committee cables\* to and from the Governor in regard to the Bank's Representatives on the Organisation Committee. In this connection Sir Charles Addis informed the Committee that following upon a Meeting at the Treasury last night, Sir John Fisher Williams has been requested to prepare draft

10<sup>th</sup> July 1929.

Statutes and a skeleton Trust Deed and the Treasury will consider what changes if any, will be necessary in the Reichsbank Law.

The Deputy Governor reported that the Plan was meanwhile being examined and dissected by the Bank's Officials, and it is proposed that when the various documents and memoranda have been completed the subject shall be considered informally with the Treasury.

Wednesday, the 17<sup>th</sup> July 1929

Present

The Deputy Governor  
Lord Kullen of  
Ashbourne

Mr Lubbock

Sir Alan Anderson

Sir Charles Addis

Mr Shaw.

The Comptroller also  
attended

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.

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Roumania.

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

The following were submitted and referred to the Court -

Minute of the Committee on Advances and Discounts recommending the re opening of two Discount Accounts.

Minute of the Staff Committee recommending appointments &c.

Report of the Staff Committee recommending the election of 11 Probationary Male Clerks to the Permanent Staff.

It was



17<sup>th</sup> July 1929

It was agreed to recommend to the Court of Directors -

1. That a General Court to consider of a Dividend be held at the Bank on Thursday, the 19<sup>th</sup> September.
2. That a Pension of £886; 12/- a year be granted, during pleasure and in accordance with the scale from the 25<sup>th</sup> July inclusive, to Arthur Candler, Principal of the Dividend Preparation Office, who attains the age of 65 years on the 24<sup>th</sup> July.

The Committee considered two questions in connection with the Regulations for Directors and agreed

CT 70-04

1. That the Order of Court of the 20<sup>th</sup> June be added as a Note to Regulation No. 1.
2. That it is not necessary for a Director to ask the leave of the Court to become a Member of the Public Works Loan Board.

LC 5

SEC. 10.

The Deputy Governor brought to the notice of the Committee two questions asked in Parliament relating to financial policy which might be considered to affect the Bank.

LC 6

Office File  
1953

The Deputy Governor informed the Committee that he had been approached informally by the Foreign Office as to the possibility of the Bank offering some hospitality to the King of Egypt who is shortly coming on an unofficial visit to this country. The Committee were of opinion that the proposal should, if possible, be declined.

LC 26

CT 70-04  
Office File  
1920

With reference to the last Minutes, the Deputy Governor stated that he had had a further cable from the Governor with regard to a successor to Mr Stewart, and the Committee requested the Deputy Governor to authorise the Governor to approach Dr Sprague informally.

LC 78

CT 100

With reference to the last Minutes as to the Bank for International Settlements the question of the Bank's representatives on the Organisation Committee was further considered and, no immediate formal action being necessary, decision was deferred until after the Governor's return.

Wednesday, the 24<sup>th</sup> July, 1929

Present

The Deputy Governor  
Lord Bullen of  
Aldbourne.

Mr Lubbock  
Sir Charles Addis  
Sir Josiah Stamp  
Mr Peacock

The Comptroller  
also attended.

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 alterations be recommended  
in the Bank Rate.

The Weekly Reports on Central Banks were submitted  
together with the Monthly Report on the National Bank of Hungary.

A Minute of the Committee on St Luke's recommending  
a grant to J. P. Jay, Head Foreman Machinist, was submitted and  
referred to the Court.

LB-8  
CT 100

With reference to the last and earlier Minutes, the  
Deputy Governor read to the Committee a further cable from the  
Governor as to the Bank's Representatives on the Organisation Committee  
of the Bank for International Settlements and also as to a successor to  
Mr Stewart.

The Deputy Governor informed the Committee  
that when the Bank took over the issue of £1 and 10/- Notes they  
undertook to supply to the Treasury reasonable information with  
regard to the expenses of the Issue Department and he submitted a  
draft of the form in which the Treasury had now suggested that such  
information should be supplied from time to time. The Committee  
approved the draft in principle and agreed that a pro forma  
statement in the form suggested should be prepared for subsequent  
consideration.



Wednesday the 31<sup>st</sup> July. 1929.

Present

The Deputy Governor  
Lord Kullen of  
Aulburne

Mr Lubbock

Mr Shaw.

Sir Josiah Stamp  
and

Mr Peacock.

The Comptroller also  
attended.

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 alterations be recommended in the Bank Rate.

In this connection the Deputy Governor read to the Committee cables which he had received from the Governor.

Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank of Poland.

The Quarterly Report of the Staff Committee with "Overs" and "Shorts" 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 the following persons, viz:-

E. G. Purton.

Chief Clerk at the Birmingham Branch,  
age 60 years, service 41 years -  
£579. 6s. a year from the 2<sup>nd</sup>  
November inclusive.

E. G. F. Beasley.

A Superintendent in the Dividend  
Preparatory Office, age 60 years,  
service 42 years - £470 a year from  
the 11<sup>th</sup> November inclusive.

Wednesday, the 7<sup>th</sup> August 1929.

Present

The Governor  
The Deputy Governor  
Lord Kell of Ashbourne  
Mr Lubbock  
Sir Alan Anderson  
Sir Charles Addis  
Mr Shaw  
and  
Sir Josiah Stamp  
The Comptroller also  
attended.

CT 99.

AG-6

CT 84-01

The proceedings of the last Committee were read and agreed.

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

The Governor described at length his impression of the position in America and informed the Committee that the present conditions in New York, whilst in character similar to those obtaining at the time of his visit in February last, were in degree even more unfavourable than then. The Federal Reserve System have agreed on no definite policy; the Governor of the New York Bank is in favour of reducing the Bill Rate and increasing the Bank Rate, but as the Board are not yet of one mind it is uncertain when he will be able to do this. The Stock Market position at present dominates the situation and as the Federal Reserve Board have been unwilling to permit any drastic steps to be taken for the purpose of regaining control there appears to be no certainty of any lower rates. In these circumstances he believed that it would be a mistaken and useless policy to increase our Rate here at present.

The Committee agreed that no change be recommended in the Bank Rate for the present, and that if the drain of gold continued the Bank might consider later the advisability of applying for power to increase the Fiduciary Issue.

The Governor pointed out to the Committee that unless the present conditions, especially in France and the United States, soon change, part of Europe, including this country, may be compelled to abandon the Gold Standard and he asked them to consider, in such an event, what action and alternative policy should be adopted.

It was agreed to recommend to the Court of Directors that permission be granted to Mr Hambro to join the Boards of the Mid-European Corporation Limited and the Hambro Trust Limited.

The Committee had before them a letter from E.D. F. Rowe, a 1<sup>st</sup> Class Clerk in the Bill Office, in which he tendered his resignation.



7<sup>th</sup> August 1929

his resignation on account of ill health. Rowe is 52 years of age, has completed 32 years' service and in the opinion of the Bank Medical Officer will not again be fit to resume his duties. It was agreed to recommend to the Court that Rowe be granted a Pension of £330.10.8 a year during pleasure and in accordance with the Scale from the 1<sup>st</sup> August, inclusive.

The Weekly Reports on Central Banks were submitted.

1B-78  
CT100

With reference to Minutes of the 17<sup>th</sup> July and earlier as to the Bank's representatives on the Organisation Committee and on the Board of Directors of the Bank for International Settlements, the Governor informed the Committee that shortly after his arrival in America Mr Harrison had informed him that he, as the Governor of the Federal Reserve Bank, hoped to serve on the Organisation Committee with another officer and that they would also serve as Directors of the Bank, that Dr Schacht and M Moreau were adopting the same course and that he hoped the Bank of England would do the same. A few days later, however, at the wish of the State and Treasury Departments in Washington, it had been decided that Mr Taft, President of the First National Bank of Chicago, and Mr Reynolds, President of the First National Bank of New York, would be the American representatives on the Organisation Committee.

CT100.01

The Governor expressed the hope that Sir Charles Addis would consent to be a representative of the Bank on the Organisation Committee and stated that it would shortly be necessary to select the representatives of the Bank on the Board of Directors, who, in his opinion, should be permanent.

Wednesday, the 14<sup>th</sup> August 1929

Present

The Governor,  
Mr Lubbock  
and  
Mr Shaw

The Comptroller also  
attended.

Mr Grenfell attended  
by invitation.

read and agreed

The proceedings of the last Committee were

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.

The Governor explained the unexpected increase last week in the New York discount rate to 6% and decrease in the Bill rate to 5½%, about which Mr Harrison had communicated with him by telephone and cable; a decision on these changes had been reached in Washington too late for prior warning to be sent here. In consequence of the changes it had been necessary for the Governor to reassure the Discount Market that an immediate increase in London was not necessarily implied, as otherwise few, if any, tenders for Treasury Bills would have been forthcoming on Friday.

Mr Harrison seemed disposed to acquire £5,000,000 to £10,000,000 sterling assets, which the Governor had offered to divide between guaranteed Bills and employed money.

The Governor, after referring again to the dangers which seemed to threaten the maintenance of the gold standard, partly as the result of conditions in the United States and France and partly in consequence of the atmosphere in which the Hague Conference was being conducted, stated that in addition to Mr Harrison he was consulting Mr Morgan owing to his unique position as Adviser to the U.S. Government.

In regard to the use of the Bank's holding of dollars in support of the American Exchange, the Committee agreed that no assurance of success could be secured by supporting the rate at present and, moreover, that without very large resources any attempt to "peg" the rate continuously was likely to be unavailing. The Governor mentioned that he proposed to offer to the Treasury up to \$40,000,000 from the Bank's holding in order to complete the provision of the half-yearly Debt payment due in December next and thus avoid any necessity for the Treasury to come on the Exchange Market within the next few months.

The Weekly Reports

CT 44  
CT 99

CT 80



14<sup>th</sup> August 1929

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Roumania.

It was agreed to recommend to the Court that a pension of £176:1:8 a year be granted during pleasure and in accordance with the scale from the 21<sup>st</sup> August inclusive to E. A. Gilbert, Senior Bullion Porter, who attains the age of 65 years on the 20<sup>th</sup> August.

The Governor acquainted the Committee of the following matters:-

1. He described an interview he had with the Prime Minister on the 10<sup>th</sup> instant in Edinburgh whether he had been summoned mainly to discuss the Chancellor's attitude at The Hague Conference and, as he had suggested, dangers to the financial position.

2. With reference to the last and earlier Minutes as to the Bank's representatives on the Organisation Committee for the Bank for International Settlements, he proposed to appoint a Committee, including persons from outside the Bank, to assist, and act as technical advisers to, the Bank's two representatives.

3. With reference to the Minutes of the 15<sup>th</sup> May and earlier, Mr Rodd has long been and still is largely occupied with work in connection with the British Italian Corporation and is shortly again going to Italy.

4. With reference to the Minutes of the 17<sup>th</sup> July as to the appointment of a successor or alternate to Mr Stewart, he explained why in the circumstances he had not while in America sounded Dr Sprague and he asked the Committee to consider what course should be adopted.

5. He had authorised Mr Frater Taylor to negotiate for the sale of the Bank's holding of £2,000,000 5% Preference Shares of the International Paper Co. of Newfoundland at a price of 85% or thereabouts.

6. With reference to the Minutes of the 19<sup>th</sup> June as to the appointment of advisers to assist the Governors in work connected

1378

CT100

1326

Office File

138

CT 192 02

CT. 171

14<sup>th</sup> August 1929

with the rationalisation of industry, he suggested forming a company - on the lines of the Securities Trust - with a capital of from £1,000 to £100,000 for the purpose of examining schemes and, if approved, carrying them through and making all arrangements in connection therewith. Mr James Hooper, Mr Foster Taylor and Mr Hugh Bischoff to be associated with the Company. The Governor was of opinion that his successor should be Chairman of the Company from the beginning.

Tuesday, the 20<sup>th</sup> August 1929.

Present

The Governor

Sir Charles Addis

and

Mr Shaw

The Comptroller also  
attended

Mr Grenfell and

Mr Tunks

attended by  
invitation.

The proceedings of the last Committee were read and agreed.

With reference to the last Minutes the Governor acquainted the Committee of the following matters, viz:-

(1) On the 15<sup>th</sup> instant he offered the Treasury \$30,400,000 from the Bank's holding, but the offer was declined.

(2) Late on the 15<sup>th</sup> instant, the prospect of obtaining tenders for Treasury Bills on the following day being poor, he had sold \$7,000,000

(3) Owing to criticisms which seemed to be crystallising in regard to the Bank for International Settlements, he considered that it was necessary to recognise at once that the new Bank is generally considered to be of national interest and to concern the public and not merely the Bank of England, and it is therefore wise that of the Bank's two delegates for the Organisation Committee one should be appointed from outside the Bank; he proposed, therefore, if and when the question arose, to invite Mr Layton to be a delegate with Sir Charles Addis. The Committee approved.

The Governor again called the attention of the Committee to the dangers which seemed to threaten the maintenance of the Gold Standard; the drain of gold to France, which was very considerable between the 16<sup>th</sup> July and the 7<sup>th</sup> August, appeared to have re-commenced; during that period

£14,000,000



20<sup>th</sup> August 1929

£14,000,000 was shipped to Paris as follows:-

|                             |                    |
|-----------------------------|--------------------|
| By Lazard Brothers (direct) | £5,700,000         |
| By do. (through Brokers)    | £4,900,000         |
| By S. Montagu & Co          | £3,000,000         |
| By Others                   | 400,000            |
|                             | <u>£14,000,000</u> |

As he had not been asked to wait on the Chancellor at The Hague, he had kept the Treasury continuously and fully informed as to the condition of affairs and together with Sir Charles Addis and Mr Grenfell had yesterday recapitulated the position and its outstanding dangers to Sir Richard Hopkins.

We asked the Committee to consider for instance:-

CT 99

CT 84 of 1928.

- (1) To what figure the stock of gold might be allowed to fall before raising the Bank Rate.
- (2) To what figure the Reserve might be allowed to fall before application be made for an increase in the Fiduciary Issue.
- (3) Whether there was anyone in London or elsewhere whose advice should be sought in regard to the present position.
- (4) What steps should be taken to preserve the life of the Gold Standard and a Free Gold Market.

The Committee were of opinion that it was particularly desirable to maintain the Rate at 5½% while the result of The Hague Conference was still uncertain; they realised however, that while no decision need be made at the present time it would probably be necessary to raise the Rate at the conclusion of The Hague Conference whatever the result of the Conference might be. The Committee hoped that the stock of gold might, if necessary, be allowed to fall as low as £20,000,000 during the Autumn and the Reserve to £20,000,000 but, in the latter event, currency needs in December, which would necessitate a larger Reserve, would have to be borne in mind.

On the question whether there was anyone whose advice should be sought, it was agreed that the only person who might suitably be consulted was Lord Bradbury.

The Committee did not consider that any further steps could be taken which would help to preserve the life of the Gold Standard and a Free Gold Market.

Wednesday, the 21<sup>st</sup> August, 1929

Present  
The Governor  
Mr Lubbock  
Sir Alan Anderson  
and  
Mr Shaw  
The Comptroller  
also attended.  
Mr Grenfell  
attended by invitation

The proceedings of the Committee of the 14<sup>th</sup> and of the 20<sup>th</sup> August were read.

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 yesterday's Minutes, the Governor explained to the Committee that, in the event of the Fiduciary Issue being increased, the additional profit resulting from the Issue would be taken by the Government under the recent Currency and Bank Notes Act, and this fact must be taken into consideration.

The Weekly Reports on Central Banks were submitted together with the Monthly Memorandum on Hungary.

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

The following were submitted and referred to the Court:

Report of the Audit Committee on Audits taken by the Audit Department between the 2<sup>nd</sup> April and the 6<sup>th</sup> August.  
Minute of the Staff Committee recommending Appointments &c.

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

(1) With reference to the Minutes of the 14<sup>th</sup> August, the Federal Reserve Bank of New York had so far acquired £400,000 Sterling Bills.

(2) He proposed to purchase a Silver Porringer dated 1694 for the sum of £100; in this connection the Committee agreed that it would be desirable to continue to purchase any similar pieces of plate &c, which might be obtainable in the future, such items to be placed in the Museum which it is proposed to provide in the new Bank.

1826  
CT84.01

CT 99

Historical  
Records File



Wednesday, the 28<sup>th</sup> August 1929.

Present

The Governor  
Lord Bullen of Ashbourne read and agreed.  
Sir Alan Anderson  
and  
Sir Charles Addis.  
The Comptroller also  
attended.  
Mr. Grenfell and  
Mr. Whitworth attended  
by invitation.

SEC. 10.  
CT 99.

+ C 14  
CT 84 DT 326  
+ CT 99.

+ C 12  
CT 95

+ C 11  
Establs.

The proceedings of the last Committee were

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

The Committee, while continuing to realise that the orthodox procedure in existing conditions would be to increase the rate, agreed that in the exceptional circumstances obtaining during the negotiations at The Hague and in consideration of the wishes and views which the Chancellor had expressed to Sir Charles Addis and through the Treasury it was desirable in the interests of the community and of the Bank that the rate should remain as at present; it was therefore agreed that no alteration be recommended.

With reference to the Minutes of the 20<sup>th</sup> August and to the necessity of meeting currency needs towards the end of the year, the Governor asked the Committee to consider whether it would be advisable for an adequate increase in the Fiduciary Issue to coincide with a decision to raise the Bank Rate to 6½%; a decision was deferred until next week.

The Governor called the attention of the Committee to a report on Gold Movements appearing in the Quarterly Review of Messrs J. Henry Schroder & Co.

The Weekly Reports on Central Banks were submitted together with the Monthly Memorandum on Poland.

It was agreed that an Allowance of £18 a year be granted during pleasure and in accordance with the scale to Mrs Matilda Honey, widow of H. J. Honey, a Pensioner, formerly a House Porter at the Western Branch.

The Governor informed the Committee that Mr Kay was likely to receive recognition for his services both from the National Bank of Austria and from the

28<sup>th</sup> August 1929. Austrian Government, and he had told him that the Bank would raise no objection.

1 C 27

The Committee discussed a Minute of the Committee on St Luke's recommending that particulars of an ink-saving device now fitted to the Plate Printing Machines at St Luke's be divulged to Messrs De la Rue on payment by them of a nominal consideration of £500 and a decision was deferred.

1 C 13  
N/E

The Governor informed the Committee that the estimated Profits for the Half-Year ending the 31<sup>st</sup> August after providing for a dividend of 6% less Income Tax, amounted to £1,820,000.

It was proposed to deal with this surplus as follows:-

|                                                                                     |                   |
|-------------------------------------------------------------------------------------|-------------------|
| Provision for Income Tax                                                            | £250,000          |
| Reserve for contingencies                                                           | 300,000           |
| Rebuilding of Premises                                                              | 500,000           |
| Writing down Securities and<br>writing off certain amounts<br>expended on Premises. | 542,236           |
| Surplus Account No 1                                                                | 227,764           |
|                                                                                     | <u>£1,820,000</u> |

Wednesday, the 4<sup>th</sup> September 1929.

Present

The Governor  
and  
Mr Shaw

The Comptroller also  
attended.

Mr Grenfell and  
Mr Basil Blackett  
attended by invitation.

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 the last Minutes the Committee provisionally agreed that it would be advisable for an increase in the Fiduciary Issue to coincide on this occasion with a decision to raise the Bank Rate to 6½%, that the change in the Rate should be made at an early date and that the increase in the Fiduciary Issue

CT 84-01 1826

1 C 99



4<sup>th</sup> September 1929.

Fiduciary Issue should be sufficient to provide for the estimated needs at the end of the year.

The Weekly Reports on Central Banks were submitted.

The Committee had before them a letter from J.D.B. James, Principal of the 5% War Stock Office, in which he asked to be allowed to retire from the service on the 30<sup>th</sup> November. James is 62 years of age and has completed 43 years' service.

It was agreed to recommend that James' resignation be accepted and that he be granted a pension of £924 a year during pleasure and in accordance with the scale from the 1<sup>st</sup> December inclusive.

The Governor acquainted the Committee of the following matters -

(1) With reference to the Minutes of the 20<sup>th</sup> February as to the provision by the Bank of money for approved schemes of rationalisation, negotiations were proceeding between Dorman, Long & Co. Ltd. and Bolckow, Vaughan & Co. Ltd. and he anticipated receiving an application for financial assistance sooner or later.

CT 171

1855  
CT 186

(2) With reference to the Minutes of the 26<sup>th</sup> June as to the re-organisation of William Beardmore & Co. Ltd., he explained the unexpected difficulties which were being experienced especially in connection with the appointment of members of the Board and Committee of Control.

CT 171  
CT 183

(3) In connection with the proposed formation of a company to deal with schemes of rationalisation of industry, referred to in Minutes of the 14<sup>th</sup> August, he proposed to secure - for a period of, say, 5 years - the services of a leading world expert - on the technical side - in the iron and steel industry.

CT 113.02

(4) In reply to an enquiry he had stated that the Yearling Bulls issued privately by the Commonwealth of Australia through the Commonwealth Bank were not acceptable from the Market for discount or as Floaters; in this connection, the question of the eligibility of Colonial and Indian Government

14<sup>th</sup> September 1929

Bills issued publicly through the London Office of the relative Central Bank might be considered by the Committee on Advances and Discounts.

1878  
CT 100

(5) He read to the Committee cables he had sent to Mr Harrison in regard to the constitution of the Organisation Committee of the Bank for International Settlements.

Wednesday, the 11<sup>th</sup> September 1929

Present

The Governor  
Lord Bullen of  
Ashbourne  
Mr Lubbock  
Sir Alan Anderson  
Sir Charles Addis  
and  
Sir Josiah Stamp  
The Comptroller  
also attended.  
Mr Grenfell  
attended by invitation.

1878  
SEC. 10  
CT 99

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.

The Governor, in relating to the Committee his long conversation with the Chancellor of the Exchequer on the 4<sup>th</sup> instant, drew attention especially to the following points:-

The Bank Rate

The maturities in 1930 and the high total of Treasury Bills.

The Bank for International Settlements.

The Rationalisation of Industry and the steps which the Bank were taking in connection therewith.

The Chancellor, after discussion, had agreed on the apparent need for an increase in the Bank Rate at an early date, had asked for further similar conversations and had agreed as to their joint interests in financial and exchange questions, among which the Governor's particular responsibilities would include necessary changes in the Bank Rate and tenders for Treasury Bills.

The Governor acquainted the Committee of the following matters -

1. With reference to the Minutes of the 10<sup>th</sup> July and later, Dr Sprague would shortly be in this country and it was agreed to authorise

Office File  
P180

1878



11<sup>th</sup> September 1929

authorise the Governor to invite him to act as an alternate or successor to Mr Stewart.

2. M Rooth, the Governor of the Sveriges Riksbank, was spending a fortnight in the Bank and Dr Schacht and M Franck had also paid recent visits to the Bank especially in connection with the Bank for International Settlements.

CT. 171

3. With reference to the Minutes of the 19<sup>th</sup> June, after consultation with Sir Andrew Duncan, he proposed to invite Mr Frank Hodges, as representing the Labour standpoint, to accept a position similar to that held by Sir James Cooper in connection with the Rationalisation of Industry, and later in connection with the Company it is intended to form in accordance with the Minutes of the 14<sup>th</sup> August.

4. Dr Davies, who has acted as Medical Officer to the Bank since 1906, would be unable to resume his duties owing to ill health and, if application were made, he considered that an Allowance might be granted him by the Bank, provided that the North British & Mercantile Insurance Company and the Northern Assurance Company, for whom he has acted in the same capacity, also granted him an Allowance.

The Weekly Reports on Central Banks were submitted together with the Monthly Report on Roumania.

The half-yearly accounts of the St Luke's Printing Works and the Works Department 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 5<sup>th</sup> October next of £6 per cent less Income Tax.

Wednesday, the 18<sup>th</sup> September 1929

Present

The Governor,  
The Deputy Governor,  
Mr Lubbock  
Sir Alan Anderson  
Sir Charles Addis  
and  
Sir Josiah Stamp  
The Comptroller also  
attended

CT84.01 ~~12.26~~

CT99

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 this week and the Committee also agreed that they would not consider themselves bound by the provisional agreement of the 4<sup>th</sup> instant that it would be advisable for an increase in the Fiduciary Issue to coincide with a rise in the Bank Rate to 6½%.

Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Hungary.

It was agreed to recommend to the Court of Directors that Pensions be granted during pleasure and in accordance with the scale to -

John Nichols, a Superintendent in the 5% War Stock Office,  
age 62 years, service 44 years, Salary  
£750 a year, Pension - £490 a year from  
the 18<sup>th</sup> December inclusive.

A E Scott Curtis, a 1<sup>st</sup> class clerk in the Public Drawing Office,  
age 59 years, service 40 years, pensionable  
Salary £670 a year, Pension - £402 a  
year from the 13<sup>th</sup> December inclusive.

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

(1) With reference to the last Minutes the Chancellor had approved his proposal to invite Mr Frank Hodges to undertake work for the Bank in connection with the rationalisation of industry, and he would now proceed with the matter as quickly as possible.

(2) With reference to the Minutes of the 4<sup>th</sup> September and earlier as to

CT171

CT. 100

1078



18<sup>th</sup> September 1929H 278  
CT 100

as to the Bank for International Settlements, he read a letter which he had written to Sir Warren Fisher stating that he had secured the services of Sir Charles Addis and Mr W. T. Layton as Members of the Organisation Committee, that Mr Jackson Reynolds and Mr Indefor had agreed to act as the American Members of the Committee and that the British Members would prefer the preliminary meeting of the Committee to be held elsewhere than in Brussels; he also read a Memorandum of a conversation with Sir Charles Addis and Mr Layton outlining the principles they hoped to follow.

H 226  
Office File  
P 180

(3) With reference to the last and earlier Minutes as to the appointment of an alternate or successor to Mr Stewart it had not been possible to have any further conversation with Dr Sprague who had unexpectedly sailed for the United States from France without again visiting the Bank. Moreover, Dr Sprague having accepted the Chairmanship of Sub-Committee II of the Gold Committee set up by the League of Nations is possibly no longer qualified to take a part with the Bank.

H 16  
CT 195

(4) He wrote on the 13<sup>th</sup> September to Sir Warren Fisher asking whether he could now obtain a statement of the policy of the Government as to the acquisition by foreigners of the control of British Companies, to which reference was made in the Minutes of the 12<sup>th</sup> June last.

H 17  
CT 171

(5) He had written to ask Sir Hugh Reid, Chairman of the North British Locomotive Company Limited, to discuss with Mr Tarkenton questions in connection with proposals for a scheme of Rationalisation for the Locomotive Industry.

(6) He had had an interview with the Governor of the Bank of China who had been introduced to him by the Treasury and by Mr Lamont.

The Governor raised the question of the ear-marked Gold held by the Bank on behalf of Central Banks and asked the Committee to consider how to obtain a definition of the Bank's position in the event of War or any other emergency.

Wednesday the 25<sup>th</sup> September 1929

Present

The Governor  
The Deputy Governor  
Lord Cullen of Ashbourne  
Mr Lubbock  
Sir Man Anderson  
Sir Charles Addis  
and  
Sir Josiah Stamp.

The Governor asked the Committee to excuse the absence of the Comptroller who had been suddenly called away to attend to matters connected with the Katry Comptroller.

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 to recommend to the Court that the Bank Rate be increased from  $5\frac{1}{2}$  to  $6\frac{1}{2}$  per cent.

The following were submitted and referred to the Court.—

(a) Staff Committee

- (1) Minute recommending appointments,
- (2) Report recommending the election of 12 Probationary Male Clerks to the Permanent Staff,
- (3) Quarterly Report on Payments made &c.

- (b) Letter from the Chancellor of the Exchequer applying for Advances during the ensuing Quarter.

Weekly Reports on Central Banks were submitted.

With reference to the Minutes of the 11<sup>th</sup> instant, the Governor reported that the North British and Mercantile Insurance Company and the Northern Assurance Company had both agreed to grant Allowances to Dr. A. J. Davies on retirement and it was agreed to recommend to the Court that, in view of his services to the Bank since 1906, he be granted an Allowance equal to full pay to the 31<sup>st</sup> December next and thereafter, during pleasure, of £225 a year.

In this connection the Governors were requested to make an early recommendation to the Committee as to a successor to Dr Davies.

The Deputy Governor



25<sup>th</sup> September 1929.

The Deputy Governor informed the Committee that a few days ago a letter had been received from the Commonwealth Bank of Australia stating that they wished to assist the Bank whenever possible by shipping Gold to London in preference to New York, but that this course involved a loss and was difficult for them to justify, and asking for the opinion of the Bank. He added that a cable had since been received offering the Bank £1,000,000 in sovereigns to be shipped this week and that the loss to the Commonwealth Bank on this shipment would be approximately £7,700.

The Committee were agreed that as a general principle it was wrong for the Bank to pay a premium to secure Gold, but the Governor was not alone in considering that the close and friendly relations with the Commonwealth Bank, the wish of the Federal Reserve Bank to avoid further import of Gold and the low Gold holding here were sufficient excuse for accepting any implicit suggestion that might come from Australia and for making a contribution to the debit of the Issue Department towards the cost of attracting shipments to London. It was, however, decided that no payment should be offered to the Commonwealth Bank in respect of this shipment.

LC 40  
CT 18

The Deputy Governor informed the Committee that proposals were being considered for the Argentine and British Governments to grant each other reciprocal credits for 100,000,000 Pesos and the equivalent in Sterling respectively, for the purchase by Great Britain of grain and meat in the Argentine and of Railway material in the United Kingdom by the Argentine Government. Provisional arrangements for operating the credits have been drawn up by the Treasury and the Board of Trade in consultation with certain British Banks operating in South America and are being submitted for the consideration of the Argentine Government. There seems, however, to be some doubt as to whether any definite result will ensue.

LC 42  
CT 85.

The Governor informed the Committee that he had been acquainted on the 19<sup>th</sup> September of the position of the Warby Group of Companies and that Meetings of Bankers and

25<sup>th</sup> September 1929 representatives of the Stock Exchange had been held here on the 19<sup>th</sup>, 20<sup>th</sup> and 24<sup>th</sup> September to decide as to the steps to be taken to support the Committee of the Stock Exchange.

Further consideration of the following questions, which had been discussed last week, was postponed, viz:-

(a) Dr Sprague

(b) Bar-marked Gold held by the Bank on behalf of Central Banks.

1021  
N/E

Wednesday, the 2<sup>nd</sup> October, 1929.

Present

The Governor

The Deputy Governor

Lord Bullen of Ashbourne and agreed.

Mr Lubbock

and

Mr Peacock

The Comptroller  
also attended.

The proceedings of the last Committee were read

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

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

Weekly Reports on Central Banks were submitted together with the Monthly Report on the Bank of India.

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

It was agreed to recommend to the Court -

(1) That a Pension of £156 a year from the 10<sup>th</sup> October inclusive be granted during pleasure and in accordance with the scale to A W Smith, a House Porter and Watchman, who will attain the age of 65 years on the 9<sup>th</sup> October.

(2) That, consequent



2<sup>nd</sup> October 1929

(2) That, consequent on the retirement of Dr. A. J. Davies on the 30<sup>th</sup> ultimo, Dr. Arthur Philip Gibbons, who has acted as Assistant to Dr Davies since 1919, be appointed Medical Officer to the Bank from the 1<sup>st</sup> instant with a salary of £600 a year, the appointment to be for a period of five years; Dr Gibbons to discharge the whole of the duties without regular assistance and to provide a substitute, to be approved by the Bank, to perform his duties when he is absent on holiday or on account of sickness.

With reference to Minutes of the 26<sup>th</sup> April 1928 and earlier, the Committee had before them a report from W. M. Acres stating that he had now completed the Social History of the Bank and enquiring as to the arrangements for publication, illustrations, &c. It was agreed that before proceeding further in the matter the History should be read by a competent critic and Mr Lubbock very kindly undertook this task.

The Governor read to the Committee a letter which he had written to the Treasury suggesting amended rates of interest for Ways and Means Advances, Banking Department, consequent upon the altered Bank Rate.

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

(1) He read a letter which he had written to the Treasury, following a meeting with certain Members of the Committee on the 30<sup>th</sup> September pointing out the dangers which would in the opinion of the Bank result from any promise which might be made by Ministers at the Labour Congress to appoint a Committee of Enquiry into Financial and Credit Policy.

(2) The British Members of the Organisation Committee of the Bank for International Settlements have now gone to Baden Baden, accompanied by certain members of the Staff of the Bank, Mr Pimont of the Treasury and Mr Zachari, who would act as Legal Advisor, his remuneration having been arranged by Sir William Leese; the expenses of the delegation are being borne by the Bank.

2<sup>nd</sup> October 1929.LC 18  
CT 100

(3) He read a letter from Sir Charles Addis to Mr Leith. Ross with confirmatory letter from Sir Josiah Stamp stating that if the Bank for International Settlements is established on the lines proposed in the Young Plan they would recommend that it be entrusted with the receipt and payment of all the War Debts due to and from His Majesty's Government.

LC 18  
CT 100.01

(4) It will shortly be necessary to appoint two Directors of the Bank for International Settlements and, by desire of Sir Charles Addis, he asked the Committee to take the following proposals into their consideration at once; that Sir Charles Addis should be one of these Directors for one year and so bring to the new Board the atmosphere and interpretation of the Young Plan and of the Organisation Committee; that in 1931 he should be replaced by some other person from within or without the Bank who would largely devote his time to the administration of the new Bank; that for one year the Governor might be technically the other Director ex officio, but would nominate an alternate; that with a view of securing continuity of policy the alternate should serve for at least five years and that, in order to ensure that the policy and traditions of the Bank for International Settlements should, as far as possible, be developed in harmony with those of the Bank, such alternate should be the next Governor.

LC 18  
CT 192.02

(5) He had learnt that the International Paper Company of Newfoundland has been considering an issue in England and he had laid down that in principle he could not offer any objection to a Sterling Issue in London by a Company registered within the Empire.

(6) With reference to previous Minutes as to the appointment of a successor to Dr. Stewart, who must claim his freedom on the 1<sup>st</sup> January next, he hoped to secure the services of Dr Stewart for perhaps two months in each of the next one or two years for a retaining fee of, say, £1,000 a year; that he proposed from the 1<sup>st</sup> January next to urden and divide the work into two parts -

(a) Industry, internal and external comparative costs, wages, production - especially as regards rationalisation - relation of industry to Banking and Finance.

Central Banking



2<sup>nd</sup> October 1929

(b) Central Banking and monetary policy, interpretation by means of visits and continuous contact of the respective policies of the Bank of England, European Central Banks and the Federal Reserve Bank, and defence against critics of the policy of the Bank.

that he proposed to approach Professor Clay of Manchester for the first post and Mr Burgess of the Federal Reserve Bank for the second, the appointment to be in each case for a period of from three to seven years.

With reference to Minutes of the 18<sup>th</sup> September last the Governor informed the Committee that he proposed to instruct the Deputy Chief Cashier to report as to the position of the Bank in the event of War or any other emergency in regard to -

- (1) Gold
- (2) Securities
- (3) Current Account Balances

held by them on behalf of Central Banks.

Wednesday the 9<sup>th</sup> October, 1929

Present

The Governor  
The Deputy Governor  
Lord Bullen of Ashbourne  
Mr Lubbock  
Sir Alan Anderson  
Sir Josiah Stamp  
and  
Mr Peacock.  
The Comptroller also attended.

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.

The Weekly Reports on Central Banks, together with the Monthly Report on the National Bank of Roumania, were submitted.

A Report of the Staff Committee on the case of

9<sup>th</sup> October 1929

W. H. Curtis, a 1<sup>st</sup> class clerk at the Western Branch, was submitted and referred to the Court

The Deputy Governor reported that he had on the 8<sup>th</sup> instant dismissed from the service H. Jacobs, a 2<sup>nd</sup> class clerk in the Dividend Pay and Loans Office, who had confessed to having had dealings with professional Moneylenders.

The Governor informed the Committee that Mr Augustus John had in his possession an unfinished portrait of the late Lord Bunsiff which he thought he could complete and a portrait of Mr Massey, former Prime Minister of New Zealand. The Governor believed that Mr John would be willing to sell both these portraits and the Secretary was instructed to approach him in the matter.

+C-20  
CCO Files

With reference to the last Minutes, the Governor read to the Committee further correspondence with the Treasury as to amended rates of interest for Ways and Means Advances, Banking Department.

With reference to the last Minutes as to the division of the work now undertaken by Dr. Stewart, the Governor informed the Committee -

(a) That C. E. R. Sherrington, who is Secretary of the Railway Research Service and Lecturer of the London School of Economics, had been suggested as a possible alternative to Professor Blay for the Statistical Section, but the Committee agreed that Professor Blay would be more suitable for this work.

(b) That Mr Burgess is unable to leave New York; the Committee discussed the advisability of approaching Dr. Sprague with a view of ascertaining whether he would be prepared to consider the surrender of the Chairmanship of Sub-Committee II of the Gold Committee set up by the League of Nations in order to come to the Bank, and the matter was left over for further consideration.

+C-21  
Office File  
P180

+B-78  
CT. 100-51

With reference to the last Minutes, the Committee further discussed the question of the selection of  
two



9<sup>th</sup> October 1929.

Maya

CT 191

two Directors for the Bank for International Settlements.

In this connection, and with reference to the Minutes of the 14<sup>th</sup> November last, the Governor asked the Committee to consider the question of the Chairmanship of the Company which it was proposed to form to assist the Governors in work connected with the Rationalisation of Industry particularly in relation to the view expressed by him on the 14<sup>th</sup> August last that his successor should occupy this post from the formation of the Company.

The Governor asked the Committee to consider whether the time had not now arrived when—

(1) One or more Directors of Clearing Banks might with mutual advantage be elected to the Court of the Bank of England.

(2) One or more persons representative of the Labour standpoint might be elected to the Court of the Bank of England.

(3) Arrangements might be made for an unofficial enquiry into the Bank's policy and practice, and for publication of a Report in due course.

Wednesday, the 16<sup>th</sup> October, 1929.

Present

The Governor  
The Deputy Governor  
Mr Lubbock  
Sir Alan Anderson  
Mr Shaw  
Sir Josiah Stamp  
Mr Peacock.

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.

The Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Hungary.

16<sup>th</sup> October 1929+C-21  
Establs.

It was agreed that an Allowance of £60 a year in accordance with the scale be granted during pleasure to Mrs E. E. Grapes, widow of W. E. Grapes, a Pensioner, formerly Chief Clerk in the Branch Banks Office.

+C-22  
CT 113-02

A Report of the Committee on Advances and Discounts was read stating that, in accordance with a request of the Committee of Treasury of the 4<sup>th</sup> September last they had considered the question of the eligibility for discount or as Floaters of Colonial and Indian Government Bills issued publicly through the London Office of the relative Central Bank and they recommended that no change be made in the existing regulations.

It was agreed to recommend to the Court that Mr E. H. Poole, Principal of the Dividend Pay Office, who will attain the age of 65 years on the 18<sup>th</sup> instant, be granted, during pleasure and in accordance with the scale, a Pension of £1,125:3- a year from the 19<sup>th</sup> instant inclusive.

+C-20  
eco files

With reference to the last Minutes, the Governor read to the Committee a further letter from the Treasury agreeing to the proposals of the Bank for amended rates of Interest for Ways and Means Advances, Banking Department, consequent on the recent increase in the Bank Rate.

+C-23  
CT 80  
CT 99.

A letter from the Governor was read enquiring whether, in case of need, the Treasury would be prepared to lend temporarily to the Bank against sterling some portion of their holding of dollars for conversion into gold to be earmarked in New York to enable the Bank to maintain a sufficient reserve during the period of the Christmas holiday demands.

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

+C-26  
Office File  
P180

(1) He read a cable which he had sent to Mr Harrison following the discussion at the last Meeting as to the advisability of approaching Dr Sprague with a view of ascertaining whether he would be prepared to consider the question of giving up his present work and coming to the Bank.

(2) He



16<sup>th</sup> October 1929

HC 24

N/E 200

CT 171

HB 73

CT 100.01

(2) He has appointed an internal Committee to consider and report on certain matters relating to the organisation of the Central Banking and kindred offices and their relationships to other branches of the work of the Bank and to each other.

(3) With reference to the Minutes of the 14<sup>th</sup> August, he has, as a result of recent conversations, reached agreement with Mr Frater Taylor on the main points connected with the formation of the Company to deal with the Rationalisation of Industry, and Messrs. Freshfields, Leese & Munns have now been instructed to proceed with the formation of the Company.

(4) With reference to the last and earlier Minutes, he read to the Committee a letter he had written to Sir Charles Addis as to the person to be appointed President of the Bank for International Settlements.

In this connection and with reference to the Minutes of the 2<sup>nd</sup> instant as to the two Directors of the Bank for International Settlements who are to be appointed by the Governor, the Committee agreed that Sir Charles Addis be nominated as a Director for the first twelve months, but they regretted that they were unable to reach any conclusion on the proposal that the person to be nominated as the Governor's alternate for the first twelve months should be the next Governor. It was therefore agreed that Mr Siepmann be nominated as the Governor's alternate for the first year.

Wednesday the 23<sup>rd</sup> October 1929

Present

The Governor  
The Deputy Governor  
Lord Buller of  
Aberdun.

Mr Lubbock.  
Mr Shaw  
Mr Peacock.

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

23<sup>rd</sup> October 1929 recommended in the Bank Rate.

The Weekly Reports on Central Banks were submitted.

10-25  
Establs

It was agreed to recommend that an Allowance of £57 a year be granted during pleasure and in accordance with the scale to Mrs L. L. Tupper, widow of G. W. R. Tupper, the late Deputy Chief Clerk at the Law Courts Branch.

The Committee had before them a letter from F. B. Kempe, Deputy Principal of the In Tellers Office who will attain the age of 60 years on the 13<sup>th</sup> January next, requesting permission to retire from the service as from that date. It was agreed to recommend to the Court that Kempe's resignation be accepted and that he be granted during pleasure and in accordance with the scale a Pension of £518.14.4 a year from the 14<sup>th</sup> January next inclusive.

The following were submitted and referred to the Court -

Minute of the Staff Committee recommending appointments &c.  
A letter from Mr Marks requesting permission to join the Board of Schröder Executor & Trustee Company Limited.

With reference to the decision of the Committee on the 25<sup>th</sup> September that as a general principle it was wrong for the Bank to pay a premium to secure gold, the Governor stated that arrangements had been made to purchase £4,000,000 in sovereigns from the Commonwealth Bank of Australia which would reach this Country by Christmas and that, in order to reduce the loss which they would incur by sending the money to this Country and not to America, he had agreed, as an exception, to make advances for three weeks at half the Bank Rate current at the date of shipment.

CT 171

With reference to the last and earlier Minutes, the Governor read to the Committee drafts of two letters from Mr Frater Taylor setting out the terms on which he is prepared to come to the Bank.

With



23<sup>rd</sup> October 1929

CT 100

1878

With reference to the last and earlier Minutes as to the Bank for International Settlements, the Governor read to the Committee a letter he had written to Sir Charles Addis as to the location of the Bank, together with a letter from Sir Charles Addis and a Memorandum from Mr Siepmann dealing with the same question.

SEC-10.

Mr Lubbock informed the Committee that he proposed to accept an invitation which he had received to serve on the Committee now being set up by the Chancellor of the Exchequer to enquire into Banking, Finance and Credit.

Wednesday the 30<sup>th</sup> October 1929

Present

The Governor  
The Deputy Governor  
Lord Cullen of  
Ashburnham  
Mr Lubbock  
Sir Alan Anderson  
Mr Shaw  
Sir Jonah Stamps  
Mr Peacock

CT 99.

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 Committee considered the question of the Bank Rate. In this connection the Governor stated that the raising of the Bank Rate to  $6\frac{1}{2}\%$  on the 26<sup>th</sup> September had almost immediately achieved its purpose and seemed largely to have contributed to the changes that had since taken place on the New York Stock Market, that the position in France was independent of the Rate of Discount or the value of money and that in any event Gold might continue to go to Paris. He believed that a reduction in the Rate would not adversely affect us abroad but might even be a means of increasing confidence in our position; moreover he had reason to believe that the New York Rate would be reduced this week in which case we should be compelled to make a change next week. So far as the internal position was concerned the existing rate was now neither needed nor effective, and he was of opinion that a lower rate, if effective, would be preferable.

30<sup>th</sup> October 1929

The Market were not anticipating any change at present and a reduction this week would be an experiment, but in all the circumstances he recommended that the Rate be reduced to 6% to-morrow; the Committee agreed.

The Weekly Reports on Central Banks were submitted.

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

With reference to the last and earlier Minutes as to the Bank for International Settlements, the Governor read to the Committee a letter which he had written to Sir Charles Addis giving the news of the Chancellor as to the location of the Bank, and asking for information as to the progress made by the Organisation Committee. In this connection the Governor informed the Committee that unless progress improved there was a fear that the Chairman of the Committee might not continue, in which case the Young Plan might be in danger.

With reference to the Minutes of the 20<sup>th</sup> February last, the Governor informed the Committee that an application for fresh capital might shortly be received from an approved Company formed to finance transactions on the Instalment System.

The Governor also stated that he would welcome the formation of a Company to grant intermediate credits - for from 2 to 4 years - which would act as a finance or lending Company to relieve the Banks and facilitate business generally, and he proposed that the Bank should render some financial assistance to such a Company.

He was also prepared to recommend similar assistance to a Credit Insurance Company, although he feared that business of this nature would be taken up by the Government.



Monday, the 4<sup>th</sup> November, 1929

Present

The Governor  
The Deputy Governor  
Lord Cullen of  
Ashbourne  
Mr Lubbock  
Mr Shaw  
Mr Peacock

and agreed

The proceedings of the last Committee were read

The Governor acquainted the Committee of the following matters -

(1) With reference to the Minutes of the 7<sup>th</sup> February 1923 and later, as to the amalgamation of Lloyds Bank and Messrs Cox & Co., he has been negotiating with Lloyds Bank for a final settlement of the guarantees for a maximum of £900,000 given by the Bank, and Lloyds Bank are now prepared to agree to a settlement on the following lines -

The Bank to pay £160,000 in cash with interest at Bank Rate from the 31<sup>st</sup> December 1927 to the date of payment, the Graham Account being left open, and in respect of unclaimed balances the Bank to

- (a) Transfer to Lloyds Bank Government Securities to the value of £178,000, such securities to be realised as occasion may arise to meet any balances that may be claimed, the interest on the securities being meanwhile paid to the Bank, or
- (b) Give a perpetual guarantee to refund to Lloyds Bank any amounts that may be claimed.

The Committee agreed that the sum of £160,000 and interest be paid from Contingencies Account, and that Securities to the value of £178,000 be transferred to Lloyds Bank.

(2) He thought it might be desirable for an enquiry to be held into matters connected with the so called Kylesant Group of Companies comprising, inter alia, The Royal Mail Steam Packet Company, White Star Line Limited, Lamport and Holt Limited, Harland and Wolff Limited. Such an enquiry could be carried out by the Trades Facilities Committee, but he doubted whether that Committee as at present constituted was strong enough to deal with so difficult and complicated a question, and he would endeavour to arrange for Sir Otto Niemeyer to be added ad hoc to the Committee.

14<sup>th</sup> November 1929.

(3) Mr C.P. Mahon, the Comptroller, who has been unwell for some weeks, will probably be absent for two or three months and it is necessary that arrangements be made to relieve the Deputy Governor of some of the extra duties thus thrown upon him. The Committee agreed to recommend that Sir Otto Niemeyer be requested to perform such of the duties of the Comptroller as the Governor may from time to time determine.

Wednesday, the 6<sup>th</sup> November, 1929.

Present

The Governor.  
The Deputy Governor.  
Lord Cullen of  
Ashburnham.  
Mr Lubbock  
Sir Alan Anderson  
Mr Peacock  
Sir Josiah Stamp.

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 Weekly Reports on Central Banks were submitted, together with the Monthly Report on the National Bank of Romania.

The Report of the Audit Committee on Audits taken by the Audit Department between the 14<sup>th</sup> August and the 18<sup>th</sup> October was submitted and referred to the Court.

The Governor acquainted the Committee of the following matters -

1. With reference to Minutes of the 19<sup>th</sup> June last and later as to the engagement of experts as Advisers to assist the Governors in work connected with the Rationalisation of Industry, he had now arranged with Mr Hugh Bischoff to devote his time and attention on behalf of the Bank to such legal questions as may arise in this connection, and he read a letter to Mr Bischoff setting out terms of the arrangement, which is on lines similar to those entered

CT. 171



6<sup>th</sup> November 1929

entered into with Sir James Cooper and Mr Hodges.

HB-78  
CT 100

2 With reference to the last and earlier Minutes as to the Bank for International Settlements, he read to the Committee a letter from Sir Charles Addis defining the present position in regard to the location of the Bank and outlining the progress of the Organisation Committee.

The Committee considered the question of the selection of Governors for the ensuing year and it was decided to recommend to the Court next week that the Governor and the Deputy Governor be invited to continue in their respective offices for a further year.

Wednesday the 13<sup>th</sup> November 1929

Present

The Governor  
The Deputy Governor  
Lord Bullen of Ashbourne  
Mr Lubbock  
Mr Shaw  
Sir Josiah Stamp  
Mr Peacock.

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.

The Weekly Reports on Central Banks were submitted.

The Committee had before them the case of J G Johnson, a 2<sup>nd</sup> class clerk in the Power of Attorney Office, who has been absent from the Bank on account of illness since July 1928. Johnson is 41 years of age and has completed 21 years' service. In the opinion of the Bank Medical Officer he will not be able to return to work for several months, if at all, and is not at present in a fit state of health to write a letter of resignation. In the circumstances the Committee

13<sup>th</sup> November 1929

agreed to recommend that Johnson be granted a Pension, during pleasure and in accordance with the scale of £206:5:4 a year from the 15<sup>th</sup> instant inclusive.

The Committee also had before them an appeal from Mrs Jessie Jacobs, the wife of J B S Jacobs, formerly a 5<sup>th</sup> class clerk in the Cashier's Department, who was dismissed from the service of the Bank on the 8<sup>th</sup> October for having had dealings with professional money lenders. Mrs Jacobs stated that her husband had so far been unable to obtain other employment, that there were no relatives in a position to assist and that they had no means for the support of themselves and their three children aged 11, 8 and 6 years respectively. It was agreed to recommend to the Court that Mrs Jacobs be granted, during pleasure, an Allowance of 30/- a week, together with 10/- a week for each child while under the age of 16 years, the continuance of the Allowance to be reconsidered in the event of Jacobs' death or of any material change in the circumstances of the case.

With reference to last week's Minutes as to the selection of Governors for the ensuing year, it was agreed to recommend to the Court that the Governor and the Deputy Governor be invited to continue in their respective offices for a further year.

The Governor acquainted the Committee of the following matters -

(1) With reference to Minutes of the 30<sup>th</sup> October and earlier as to the question of providing additional capital for an approved Company engaged in financing purchases on the Instalment System, he had offered to subscribe in one form or another £250,000 to the capital of the United Dominions Trust, any such subscription of capital to be subject to a satisfactory understanding with the Company as to their policy and personnel.

(2) With reference to the recent arrangement under which Mr Bischoff will give his whole time to work on behalf of the Bank in connection with the new Company, he has agreed that as an exception Mr Bischoff be allowed, if invited, to become a Director of the Southern Railway.

(3) With

16-29  
ET 180



13<sup>th</sup> November 19291826  
Office File P.180

(3) With reference to Minutes of the 16<sup>th</sup> October, he read a cable from Mr Harrison from which it appeared that thanks to his good offices it might after all be possible to arrange for Dr Sprague to come to the Bank in the latter part of next year, and he also read the notes of an understanding he had reached with Sir Arthur Salter as to Dr Sprague's position in regard to the League of Nations.

1894  
CT 16

(4) He had written to Mr Grenfell and Mr Roe that there would be no objection to the proposed stabilisation credit for \$5,000,000 to enable Japan to return to the Gold Standard and he had explained the matter to the Chancellor.

1878  
CT 100

(5) With reference to the last and earlier Minutes as to the Bank for International Settlements, the Statutes of the new Bank and the draft form of Trust Agreement have been adopted by the Organisation Committee.

(6) He read to the Committee a cable recounting the circumstances attending the failure of the negotiations for amalgamation of the National City Bank of New York and the Bank Exchange Bank.

CT 2

(7) He had agreed at the request of Sir Arthur Salter that, if needed, he would allow Osborne to go to Bulgaria for a few months to assist in adjusting difficulties that have arisen in connection with the administrative arrangements of the National Bank of Bulgaria.

The Committee approved in principle of the proposal by the Governor that presents should be made—

- (a) To Mr Parker Gilbert on the termination of his work as Agent General for Reparation Payments.
- (b) To Mr Layton in recognition of his work at the Hague Conference and in connection with the Organisation Committee of the Bank for International Settlements.
- (c) To Sir William Portal on the occasion of his golden wedding next year.

and Sir Josiah Stamp undertook to speak to Mr Layton.

Wednesday, the 20<sup>th</sup> November 1929

Present  
Full Committee

The proceedings of the last Committee were read and agreed.

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

CT 99 It was agreed to recommend to the Court that the Bank Rate be reduced from 6 to 5½%.

The following were submitted and referred to the Court, viz:-

Minute of the Staff Committee recommending Appointments.  
Report of the Committee on St Luke's on the Annual Reports on the Administrative Staff at St Luke's Printing Works.  
Minute of the Committee on Advances and Discounts recommending renewal of facilities to certain customers in regard to Advances, &c.

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

C 27  
N/E. The Committee approved a request from the Committee on St Luke's that a Minute of the 28<sup>th</sup> August last in regard to the new Ink Saving device be withdrawn.

Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Hungary.

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

C 10  
SEC 10 (1) The Committee appointed by the Government to enquire into Banking Finance and Credit will probably ask first for a descriptive statement of the constitution, functions and business of the Bank, and he will in due course be invited to give evidence. He asked the Committee to consider on what lines they would wish him to answer questions on such points as Reserves, Dollar Holdings, Long and Short dated Securities, the composition and functions of the Court, Rotation of Governors, &c.

(2) With reference.



20<sup>th</sup> November 1929LB 94  
CT 16

(2) With reference to the Japanese Stabilisation Credit referred to in last week's Minutes, the Governor of the Bank of Japan will shortly issue an agreed statement to the effect that the arrangements for the restoration of the Gold Standard in Japan have the sympathy and moral support of the Bank of England and the Federal Reserve Bank.

LC 37  
CT 171

(3) The new Rationalisation Company referred to in the last and earlier Minutes has now been registered under the title of the Securities Management Trust Limited with a capital of £1,000 and a Reserve of £1,000,000; Sir Andrew Duncan will act as Vice Chairman, Mr Bischoff, Sir James Cooper, Mr Hodges and Mr Frater Taylor will be the Directors, and Mr Roney of Messrs Deloitte, Plender & Co. the Secretary and Accountant; Messrs Deloitte, Plender & Co's Office will be the registered Offices of the Company.

CT 171

(4) With reference to Minutes of the 23<sup>rd</sup> October, he explained in what manner the arrangements with Mr Frater Taylor had been altered; these changes will not affect his general relations with the Bank or the Securities Management Trust.

LC 55  
CT 185  
CT 171

(5) He hoped that the affairs of the Pearson and Knowles Group and others would shortly be taken in hand by a new Steel and Wire Company and he proposed, if necessary, to subscribe through the Securities Management Trust a sum not exceeding £500,000 towards any approved scheme of reorganisation. As a result of conversations between Messrs Schröder & Co and Mr Frater Taylor a public announcement would if possible be made in due course with the hope of rendering intervention by the Government in industry less probable.

LC 60  
CT 181-01

(6) The progress made by the Lancashire Cotton Corporation has so far been obstructed and therefore slow, but he hoped that before long matters would move more rapidly; in the meantime he has had to arrange for such credits and advances as they may from time to time require to enable them to conduct their normal business - say £200,000 - without specific assigned security.

20<sup>th</sup> November 1929

CT 40

(7) He received a visit during the past week from an intermediary from M. Moreau, who came to assure him of M. Moreau's personal regard and of his desire for co-operation. M. Moreau wished him to understand that the recent Gold shipments to France did not form part of the policy of the Bank of France, and that their manner of holding devised seemed to him reasonable and should be regarded as satisfactory. If, however, he wished to make any proposal M. Moreau would welcome him in Paris, but he should first endeavour to bring about an alteration in the present attitude and policy of the British Treasury and Government. He had said in reply that he had no proposal to make to M. Moreau, that he hoped the attempt to build up the Paris Market would be successful, that it was necessary for the Bank of England to keep on friendly terms with the Government and the Treasury, but that he had no power to alter their policy.

+ 216  
CT 32

(8) With reference to Minutes of the 21<sup>st</sup> May last he has had further trouble in connection with India's financial needs. Within the last few days he has had visits from Sir George Schuster, who has complained of the difficulty, owing to the political prospects, of raising money in London at the rates at which India expected to be able to borrow. He again declined a proposal by Sir George Schuster for a joint meeting with Messrs Goodenough and Kisch, as representatives of the India Office, the India Office Brokers and himself to discuss an issue, but he has invited Sir George Schuster to meet the India Office and Government Brokers here to discuss general policy.

+ 1811  
N/E  
CT 126

(9) He has arranged with the North West Midlands Joint Electricity Authority, who were proposing shortly to issue a loan, that, subject to agreement with Sir Andrew Duncan, the issue should be for £1,000,000 and should not be made until the New Year. The Bank will in the meantime make them advances up to, say, £100,000 provided the Issue is to be made through the Bank and the advance repaid out of the proceeds of the Issue.

(10) With reference to the Minutes of the 30<sup>th</sup> October, the Export Credit Department of the Board of Trade have been for some time developing a system of Credit Insurance; they are now proposing to form



20<sup>th</sup> November 1929

form a committee to superintend active operations in the City and have invited Sir Otto Niemeyer to join Mr Peel and Mr Bancroft on that Committee; this invitation Sir Otto Niemeyer proposes to decline. He suggested that this new organisation should cooperate with similar Institutions already in existence, such as the Trade Indemnity Company, but he understands that they propose to enter into competition; he therefore reiterated to the Committee his desire only to support any Company working on private business lines.

Wednesday, the 27<sup>th</sup> November, 1929.

Present

The Deputy Governor  
Lord Bullen of Ashbourne  
Mr Lubbock  
Sir Charles Addis  
Mr Shaw  
and  
Mr Peacock

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 after discussion that no change be recommended in the Bank Rate this week.

Weekly Reports on Central Banks were submitted.

It was agreed that an application from Mr Lionel de Rothschild, as Chairman of the Annual Festival Dinner, for a donation for the London Orphan School at Watford be declined.

It was agreed to recommend to the Court of Directors that in Christmas Week, Christmas Day being on Wednesday, the Court should meet at 11.30 a.m. on Tuesday the 24<sup>th</sup> December and it was further agreed that if this proposal be approved the Committee of Treasury should meet on the same day at 11 a.m.

The Committee had before them a letter from Sir William Leese in which he stated that from the beginning of the War to the present time he had borne the sole responsibility of the legal work of the Bank and that this work had now reached

LC 32  
N/E

CT 138  
LC 31

27<sup>th</sup> November 1929

a point when he thought it was not a burden which one man alone could satisfactorily undertake; he therefore asked whether his partners might have direct access to the Bank for certain branches of the work.

The Committee agreed that, subject to the consent of the Governors being first obtained, Sir William Leese be allowed to delegate to his partners such portions of the legal work of the Bank as he deemed necessary.

HC 55  
CT 185  
CT 171

With reference to the last Minutes the Deputy Governor laid before the Committee a letter from the Governor to Mr. Fater Taylor undertaking that, subject to the approval of Messrs. Freshfields and Messrs. DeLoittes as to the arrangements and subject also to the conditions set forth in the Governor's letter as to the provision of other monies, the Bank would advance £500,000 to the Securities Management Trust to be employed by them in a scheme now under consideration for re-organisation of the Pearson and Knowles Group.

HC 37  
CT 171

With reference to the last Minutes as to the formation of the Securities Management Trust Limited, it was agreed to recommend to the Court of Directors that the following Securities be placed at the disposal of the Trust, viz:-

Book Value

£2,000,000 Fully paid 5 per cent Preference Shares of £1 each of the International Power and Paper Company of Newfoundland Limited.

£1,554,653.15.9

4,700,000 Fully paid "B" Ordinary Shares of 10/- each of Sir W. G. Armstrong Whitworth & Co. Ltd.

£2,350,000.-.-

£725,000 Fully paid 7 per cent 1<sup>st</sup> Mortgage Debenture Stock of Messrs. William Beardmore & Co. Ltd.

£710,500.-.-

the Book Value of the Securities to be added to the Nominal Value (£1000) of the Shares of the Trust in the Bank's Books.

Also that the sum of £1,000,000 be paid to the Trust to be invested in Liquid Securities to be held by the Trust as a reserve. This sum to be written off Suspense Account No. 1 in the Books of the Bank.

The Deputy



27<sup>th</sup> November 1929.

+C43

CT. 123

CT. 80

The Deputy Governor informed the Committee that hitherto it has been the practice of the Bank when selling dollars in London to employ Mr Fraenkel of the Anglo International Bank. Mr Fraenkel is now leaving the Anglo International Bank to take up other work and in the opinion of the Governor a suitable opportunity arises for ceasing to employ the Anglo International Bank for this purpose.

+C19

SEC 10

With reference to last week's Minutes, the Deputy Governor stated that he had been invited to give evidence before the Macmillan Committee tomorrow in place of the Governor, but he gathered that all the Committee required at present was an outline of the constitution and work of the Bank.

Wednesday the 4<sup>th</sup> December 1929

Present

The Deputy Governor  
Lord Bullen of Ashbourne

Mr Lubbock

Sir Alan Anderson

Sir Charles Addis

Mr Shaw

Sir Josiah Stamp

and

Mr Pearson

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 Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Rumania.

It was agreed to recommend that Allowances be granted, during pleasure and in accordance with the scale, to the following:-

Establs

+C33

+C34

+C35

Mrs Honnetta Spriggs, Widow of A J Spriggs, a Pensioner - £50 a year  
Mrs F F Lyster, Widow of F K Lyster, a Pensioner - £58 a year.  
Mrs H Canelle, Widow of F Canelle, a Pensioner - £18 a year

14<sup>th</sup> December 1929

The Committee had before them a letter from J. B. Green, a Binder at St Luke's Printing Works, asking permission to retire from the service of the Bank. Green is 66 years of age and has completed 22 years' service.

It was agreed to recommend to the Court that Green's resignation be accepted and that he be granted, during pleasure and in accordance with the scale, a Pension of £79 11 4 a year from the 1<sup>st</sup> January 1930 inclusive.

The Deputy Governor acquainted the Committee of the following matters -

1 With reference to Minutes of the 10<sup>th</sup> July last and earlier, an offer has now been received on behalf of someone at present unknown for the purchase of the Cafe Royal limited for a sum of £320,000, irrespective of stocks, on the following conditions

A payment of £75,000 in cash, another £50,000 to be raised at the same time to be used in putting the business on a sound footing, and the balance of the purchase money to remain outstanding for 16 months from the date of the contract, during this period the purchasers to be allowed to have a hand in the management of the business which would remain as at present under the control of the Receiver and subject to the jurisdiction of the Court.

As security for the balance of debt due to them the Bank would retain their position as 1<sup>st</sup> Mortgagees with all their present powers.

The Committee agreed that the matter should be proceeded with subject to the purchasers being proved satisfactory to the Bank and the High Court and subject also to the retention by the Liquidator appointed by the Bank of a sufficient power of supervision to protect them against any depreciation in the value of the property through faulty or indiscreet management.

2 The Shell Company of Australia informed him yesterday that it was essential in their own interests for them to endeavour to ship gold to London before the Bill restricting the export of gold from Australia became law, and asked for the views of the Bank.

He had told them that if the Commonwealth Bank of Australia had been made aware of the proposal and had offered no objection, the Bank had no comment to offer. He had since learnt that

the Commonwealth



4<sup>th</sup> December 1929

the Commonwealth Bank had been made fully acquainted with the Company's intentions and had raised no obstacle.

3 With reference to the last and earlier Minutes it is the intention of the Governor to lay the draft Minutes of each Meeting of the Securities Management Trust before the Committee of Treasury. In this connection he stated that Sir Andrew Duncan had now been elected a Director and Deputy Chairman of the Company.

4 He had received a hopeful letter from General Dawnay as to the prospects of the Armstrong Operating Companies in the immediate future.

5 He had arranged for the preparation in conjunction with Messrs Freshfields of a new edition of the Charters, By Laws and Statutes in force relating to the Bank as the existing volume was now out of date in many important particulars.

6 He had given evidence before the Macmillan Committee on Thursday and Friday, the 28<sup>th</sup> and 29<sup>th</sup> November. He had reserved his answers on the following points -

- (a) Nature and distribution of Bank Stock Proprietorship
- (b) Analysis of "Other Private Deposits."
- (c) Desirability of some amended plan regarding the distribution of profits between the Government and the Bank.

He indicated the nature of the replies which he proposed to make on these points with which the Committee concurred.

Tuesday, the 10<sup>th</sup> December, 1929.

Present

CT95  
The Deputy Governor  
Lord Cullen of  
Aberlourne  
Sir Alan Anderson  
Sir Charles Addis  
Mr Shaw  
and  
Mr Peacock

The Deputy Governor stated that he had today been informed by the Midland Bank that they could obtain before Christmas £2,000,000 or more in Gold from America, if the Bank would agree to pay 77<sup>5</sup>/<sub>10</sub> per ounce. After discussion the Committee agreed that in the circumstances the offer should be accepted.

Wednesday, the 11<sup>th</sup> December 1929.

Present

The Deputy Governor  
Lord Cullen of  
Aberlourne  
Mr Lubbock  
Sir Alan Anderson  
Sir Charles Addis  
Mr Shaw  
and  
Mr Peacock

The proceedings of the Meetings on the 4<sup>th</sup> and 10<sup>th</sup> instant were read and confirmed.

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

It was agreed to recommend to the Court that the Bank Rate be reduced from 5½ to 5 per cent.

The Weekly Reports on Central Banks were submitted.

It was agreed to recommend that Pensions be granted, during pleasure and in accordance with the scale, to the following Mechanics at St Luke's Printing Works -

John Woodgate, a Compositor, age 68, service 20 years on the 4<sup>th</sup> January next - £81.9.11 a year from the 12<sup>th</sup> January next inclusive.

Arthur Holiday, a Machinist, age 55 - £102.19.11 a year from the 1<sup>st</sup> January next inclusive.

The Deputy Governor informed the Committee that he had received a request from Mr Boscawen, the Agent at the Western Branch for permission to commute a portion of his Pension, and the Committee agreed that Mr Boscawen be regarded as coming within the provisions of the Scheme for Commutation of Pensions by Members of the Clerical Staff approved by the Court of the 2<sup>nd</sup> February 1928.



11<sup>th</sup> December 1929

The Deputy Governor acquainted the Committee of the following matters -

1 He had been informed yesterday by the Treasury that the French Government proposed quite unexpectedly to make a payment to the Treasury of £6,000,000 to-morrow.

2 He understood that the President of the Argentine Republic had stated that he would do nothing to interfere with the free operation of the Gold Standard in that country; and he hoped that this example would be followed by other countries.

3 With reference to Minutes of the 24<sup>th</sup> July last, he had now agreed with the Treasury as to the form in which the Bank should furnish them with information relating to the expenses of the Issue Department.

4 He had seen a reference in the Morning Post this morning to recent discussions which the Prime Minister has had with certain economists, of whom Professor Clay was one, on the financial and economic problems of the moment. He understood that the Prime Minister was endeavouring to arrange for some of these economists to give the Government permanent assistance. He informed the Treasury of the Bank's intentions with regard to Professor Clay and had expressed the hope that nothing would be done to interfere with these intentions.

5 He will be giving evidence again tomorrow before the Macmillan Committee and he outlined certain points on which he proposed to speak to the Committee.

Wednesday, the 18<sup>th</sup> December, 1929.

Present

The Deputy Governor  
Lord Cullen of  
Ashbourne

Mr Lubbock  
Sir Charles Addis  
Mr Shaw  
and  
Mr Pearock

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.

Weekly Reports on Central Banks were submitted together with the Monthly Report on the National Bank of Hungary.

It was agreed that an Allowance of £18 a year be granted during pleasure and in accordance with the scale to Mrs S. M. Newnham, widow of a Pensioner, formerly a Bullion Porter.

+ C 39  
Estab.

It was agreed to recommend to the Court of Directors that Pensions be granted during pleasure and in accordance with the scale to the following persons, viz:-

V. G. Biscoe, a Cashier who attains the age of 65 on the 27<sup>th</sup> December, £600 a year from the 28<sup>th</sup> December inclusive.

J. F. Jessier, a 1<sup>st</sup> class Clerk in the Bill Office, who will complete 29 years' service on the 14<sup>th</sup> March 1930 and has asked to be allowed to retire from the service on account of ill health, £217.6.8 a year from the 15<sup>th</sup> March inclusive.

It was agreed to recommend that permission be granted to Sir Basil Blackett to join the Board of the Indo-European Telegraph Company Limited.

CT 70 04

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

- (1) With reference to the last Minutes, the form in which the Bank



18<sup>th</sup> December 1929

Bank proposed to furnish information relating to the expenses of the Issue Department has now been approved by the Treasury and by the Comptroller and Auditor General.

1B78  
CT 100

(2) M. Moreau wishes to come to the Bank between the 26<sup>th</sup> and the 30<sup>th</sup> instant to discuss matters in connection with the Bank for International Settlements. He has written to M. Moreau to suggest that he should come on the 30<sup>th</sup>, by which time he hoped that the Governor, who is now on his way back to England, would be here to receive him.

1C40  
CT 18

(3) He had yesterday paid a visit to the Chancellor and had discussed with him particularly the question of a credit to be raised in London for the Argentine Republic. The President has asked the London Agents of his Government for a credit of £5,000,000, of which he does not expect to use more than £2,000,000.

The feeling in Argentina towards this country is at the present time very friendly and as it is important, if possible, to maintain this feeling the London Agents would like to be able to provide this credit and have asked whether the Government or the Bank will support them in case of need. When consulted by the Governor on the 4<sup>th</sup> November, when this question was first raised, the Chancellor expressed the hope that the credit would be arranged and the Governor subsequently agreed that the Bank would discount Bills for the Firms concerned or make them Advances on Securities up to an amount of £2,000,000 within a period limited to one year.

The London Agents have now enquired whether the Chancellor's wishes were still the same and whether the Bank would still support them in case of need. The Chancellor hopes that the credit will be arranged and although he has firmly declined to commit the Government to any promise of assistance or support, he has intimated that as a special case for this operation he will be prepared to relax his opposition to foreign borrowing. The Committee agreed to renew the promise previously made by the Governor.

18<sup>th</sup> December 1929.

CT 171

CT 189

(4) His opinion had been asked regarding the draft of part of a speech which Mr Thomas will make on Friday, in which there was a reference as to City financial assistance to schemes of Rationalisation, the form of which was in his opinion very undesirable. An amended draft of this portion of the speech had been sent to the Treasury who were requesting that Mr Thomas would read it verbatim without any alteration or paraphrase.

(5) He recently received a visit from the Chairman of an Australian Bank who asked him to prepare for the consideration of the Government and Banks in Australia a memorandum regarding Central Bank developments in Australia with special reference to recent legislation to permit the embargo of Gold exports from that country. He replied that the Bank in such a matter could only act by agreement and in cooperation with the Commonwealth Bank, but he would consider whether anything of this nature could be done.

LC 42

CT 85

(6) He had promised Mr Holland Martin that the Bank would provide a room for a Meeting to be held between the Bankers and Representatives of the Stock Exchange in connection with a proposal for the raising of a Guarantee Fund to assist Members of the Stock Exchange who may be in difficulties on account of the <sup>financial</sup> troubles, but he refused a request for support by the Bank.

(7) It was learned a short time ago that Switzerland might require Gold from London at the end of the year, but the Bank had now been informed that they would take from New York any Gold that they might need.



Tuesday the 24<sup>th</sup> December 1929

Present

The Deputy Governor  
Mr Lubbock  
Sir Charles Addis  
Mr Shaw  
Sir Josiah Stamp  
and  
Mr Peacock.

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.

Weekly Reports on Central Banks were submitted.

It was agreed to recommend to the Court of Directors that a Pension of £333 a year be granted during pleasure and in accordance with the scale from the 1<sup>st</sup> January next inclusive to G. H. Roud, Overseer of the Printing Section at St Luke's Printing Works.

The following were submitted and referred to the Court:-

Letter from the Chancellor of the Exchequer applying for Advances during the ensuing Quarter.

Minute of the Staff Committee recommending Appointments &c.,  
Quarterly Report of the Staff Committee on Payments made &c.,

Minute of the Committee on St Luke's recommending the appointment of an Overseer of the Printing Section at St Luke's Printing Works.

With reference to the last Minutes the Committee were informed that the terms submitted by the London Agents of the Argentine Government for a Credit of £5,000,000 had been accepted by the President of the Argentine Republic and that the Credit had been placed yesterday.

A letter was laid before the Committee from the President of the National Bank of Hungary stating that his Bank would not require a second renewal of the

LC 40  
CT. 18.

LC 30  
CT. 41

24<sup>th</sup> December 1929.

Gold credit granted to them by the Bank of England and four other Central Banks.

1642

CT85

With reference to the last Minutes as to the proposal to raise a Guarantee Fund to assist Members of the Stock Exchange who may be in difficulties on account of the War troubles, the Deputy Governor informed the Committee that the representatives of the Stock Exchange consider that £1,000,000 will be required and unless this amount is forthcoming there will be a large number of failures in various places; they consider that the Bankers should contribute to the Fund and have asked them to provide £250,000.

The Bankers agree that they should give some assistance - the amount they suggest being £125,000 - and they wish the Bank of England to head the list with £15,000.

The Deputy Governor has not so far encouraged the Bankers to hope for any contribution from the Bank.

The Deputy Governor informed the Committee that the Comptroller was now recovered and hoped to return to work on the 1<sup>st</sup> January.

Wednesday, the 1<sup>st</sup> January 1930

Present

The Governor  
The Deputy Governor  
Lord Cullen of  
Ashburnham  
Mr Lubbock  
Sir Charles Addis  
Sir Jonah Kemp  
and  
Mr Peacock  
The Comptroller  
also attended.

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.

Weekly Reports on Central Banks were submitted



1<sup>st</sup> January 1930

submitted.

The Committee had before them a letter from Miss M. B. A. Peters, an Auxiliary Woman Clerk, who is 43 years of age and has completed 10 years' service, tendering her resignation from the service of the Bank on account of continued ill health. In the opinion of the Bank Medical Officer it is doubtful whether Miss Peters will again be fit to resume her duties and it was agreed to recommend that her resignation be accepted as from the 31<sup>st</sup> January and that she be granted a Pension of £36 a year during pleasure and in accordance with the scale from the 1<sup>st</sup> February inclusive.

The Deputy Governor submitted proposals for approval by the Court tomorrow as to the procedure to be adopted for an Examination of Candidates for Probationary Male Clerkships.

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

(1) M. Moreau, the Governor of the Bank of France, accompanied by M. Moret and M. Quesnay, visited the Bank on Monday last and had long and friendly discussions as to the Bank for International Settlements and International Banking affairs generally.

(2) With reference to the last Minutes as to the Guarantee Fund which it is proposed to raise to assist Members of the Stock Exchange who may be in difficulties on account of the Watry troubles, he had had a visit from the Bankers who stated that they were only willing to participate in the Fund provided the Bank of England would head the list and undertake to collect contributions from them and from other Houses outside the Stock Exchange. He had subsequently had a Meeting with representatives of the Stock Exchange who told him of their difficulties in regard to the Fund; they considered that £1,000,000 would be required, but they feared that it would not be possible to obtain more than about £800,000 from Members of the Stock

HB 78  
CT 100HC 42  
CT 85

12/9 January 1930

Exchange

He had told the Representatives of the Stock Exchange that in his opinion the matter concerned them alone and that a mistake had been made in applying to the Banks for direct assistance. He intended to tell them at a further Meeting to be held tomorrow that the Bank would certainly not agree to participate on the terms suggested by the Bankers and that the Stock Exchange should, through their Members, privately endeavour to collect the remainder of the amount required.

He considered it desirable to avert the many failures which the Stock Exchange fear may be possible, and that for this reason it was advisable for the Bank to help, but as it was an affair in which they had no direct concern their name should not appear and he therefore proposed to place Messrs. Mullens, Marshall & Co. in a position to contribute the sum of £25,000, and if necessary further sums up to a possible total of £100,000, in order to assist towards the completion of the required total of the Fund.

(2) He proposed to pay a short visit to New York at the end of January.

Wednesday, the 8<sup>th</sup> January, 1930

Present

The Governor  
The Deputy Governor  
Lord Cullen of  
Ashbourne  
Mr Lubbock  
Sir Alan Anderson  
Sir Charles Addis  
Sir Josiah Stamp  
and  
Mr. Peacock

The Comptroller also  
attended.

The proceedings of the last Committee were read  
and agreed.

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

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

Weekly Reports on Central Banks were submitted  
together with the Monthly Report on the National Bank of  
Roumania.



8<sup>th</sup> January 1930HC 44  
Estab.

It was agreed that a compassionate Allowance of £26 a year be granted during pleasure to Miss F. Vanderkiste, daughter of the late J. de C. Vanderkiste, formerly a clerk in the Dividend Office.

It was agreed to recommend to the Court that Pensions be granted during pleasure and in accordance with the scale to the following, viz:-

|                 |                                                                                                                                |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------|
| Alfred Francis, | a Parlour Messenger, age 62 years, service 32 years, £142 6 11 a year from the 1 <sup>st</sup> March inclusive.                |
| G. H. Dawson    | a Senior Clerk in the Security Paper Store, age 63 years, service 45 years, £483 6 8 from the 1 <sup>st</sup> April inclusive. |

The Half-Yearly Report on the National Bank of Egypt was submitted.

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

HC 42  
CT 85

(1) With reference to the last Minutes as to the Guarantee Fund for Members of the Stock Exchange who may be in difficulties on account of the War, troubles, he read to the Committee a letter he had written to Mr Priestley stating that the Bank would add a sum of £25,000 to any amount which Messrs Mullens, Marshall & Co. might intend to contribute. He had reason to hope that the required sum would be obtained without any further contribution from the Bank.

CT 95

(2) It had been agreed at the request of the Treasury that the Gold Movements during the years 1917, 1918 and 1919 might now be published.

(3) He had arranged, as an exception, to make a loan of £1,500,000 to the Imperial Bank of India against Rupee Securities on a 20 per cent margin to enable them to assist one of their clients in India to discharge sterling obligations without exchange operations.

8<sup>th</sup> January 1930

~~CT 43~~  
CT 123

(4) With reference to the Minutes of the 15<sup>th</sup> February 1928 when it was agreed to make a deposit of \$2,000,000 with the Anglo International Bank, he had now arranged to increase the amount of the deposit by \$500,000.

CT 123  
CT 80

(5) He would next week inform the Committee of changes which he proposed to make in regard to the Exchange business of the Bank. He anticipated that when the Bank for International Settlements commenced business there would be large exchange operations here and he wished to be prepared with the necessary machinery and freedom to enable the Bank to conduct this business in London through whatever channels they desired. As a first step he had given notice to the Anglo International Bank that the Bank no longer intend to conduct their dealings in Exchange exclusively through them.

Office File.

(6) Since last week he had learnt that Mr Harrison intended to visit London early in February. He had thereupon invited Dr Sprague to come also, as the guest of the Bank, and Dr Sprague had accepted the invitation; he would arrive in London about the 17<sup>th</sup> January and would remain for a week or ten days. In these circumstances he did not propose to go to New York.



