

COMMITTEE OF TREASURY

MINUTE BOOK

54



Wednesday, the 8<sup>th</sup> June, 1932.

Present:—

The Governor,  
The Deputy Governor,  
Mr. Lubbock,  
Mr. Grenfell,  
Mr. Gladstone,  
Sir Josiah Stamp,  
Sir Andrew Duncan,  
Mr. Pearce,  
—

Mr Hambro  
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.

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

V. H. Penny, a 1<sup>st</sup> Class Clerk in the Consols Office:  
age 60 years on the 7<sup>th</sup> September next:  
service 39 years: salary £700 a year:  
£4 10 13 4 a year from the 8<sup>th</sup>  
September inclusive.

H. J. Carpenter, Messenger to the Chief Accountant:  
age 65 years on the 23<sup>rd</sup> June: service  
30 years: Wages £246 2 8 a year:  
Pension £131 5 8 a year from the  
24<sup>th</sup> June inclusive.

The Committee were acquainted of the following matters—

LC 53  
CT 189

(1) With reference to the last Minutes Sir George May has been consulted as to a suitable person to succeed Sir Guy Granet as alternate to the Chairman of the Bankers Industrial Development Company.

(2) With

8<sup>th</sup> June, 1932

~~1880~~  
CT 167

(2) With reference to the last Minutes the Issuing Houses may be unwilling to request the formation of a Committee to protect the interests of Bondholders in loans issued under the auspices of the League of Nations and it may therefore be necessary to proceed without their assistance.

~~1858~~  
CT 134

(3) A personal letter from Mr L. E. Meinertzhagen, a Partner in the Firm of Frederick Huth & Co., was read asking whether some part-time employment could be found for him, together with the reply.

~~1862~~  
CT 29

(4) [redacted] called yesterday and stated that, following upon discussions in [redacted]

[redacted] had been instructed to repatriate all balances held abroad. He has already during the past six months repatriated sterling balances amounting to about £3,250,000 at an average rate of exchange equivalent to \$3.71 per £. Of his remaining sterling balances amounting to about £10,000,000 it was proposed to set aside £2,000,000 for certain special purposes, and he enquired whether the Bank of England would be prepared to arrange for the conversion of the balance of £7,000,000 into gold or gold exchange on the most favourable terms obtainable, with a guaranteed average minimum exchange of \$3.71 per £, such conversion to be effected at the rate of not less than £1,000,000 per month.

The Committee having expressed the view that transactions of this nature should be carried out in every case at the rate of the day, left the matter in the hands of the Governors.

~~1850~~  
~~1874~~  
CT 95  
CT 90

(5) Inquiries have recently been made as to whether the Bank would accept Gold for safe custody on behalf of private Firms in London and there is reason to believe that such requests have been made on behalf of private foreign

holders

8<sup>th</sup> June, 1932 holders desirous of hoarding gold. The Bank have now been asked whether there is any objection to the receipt by other Banks of such deposits of Gold or to the granting by them of Advances against such deposits. In the opinion of the Bank such operations should be discouraged and the matter has been submitted for the consideration of the Treasury.

*Secret Advances sec. 1 B.54 - now transferred to file <sup>SEC. 4.</sup> ~~by~~ in Secretary's ~~Hand~~ Safe.*

Wednesday, the 15<sup>th</sup> June, 1932.

Present:—

The Governor.  
The Deputy Governor.  
Mr. Lubbock.  
Mr. Grenfell.  
Mr. Gladstone  
Sir Josiah Stamp  
Sir Andrew Duncan  
Mr. Peacock  
Mr. Hambro  
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 approved:—

Weekly Reports on Central Banks.  
Fortnightly Letter to Dominion Central Banks.  
Monthly Report of the Committee on  
Advances & Discounts.

The Committee were acquainted of the following matters—

(1) A wine cistern made in 1694 has been purchased for the Bank at a cost, including Commission, of £10.66 = 12:—

~~1889~~  
C.T. 167.

(2) With reference to the last Minutes, the Issuing Houses have now approved the proposal to set up a Committee to protect the interests of League Bondholders

15<sup>th</sup> June 1932

Bondholders and a letter has been received from the Chancellor to the effect that such a Committee would have his goodwill and support.

CT90

+850

+844

CT95

(3) With reference to the last Minutes as to deposits of gold in London by private foreign holders, a letter has now been received from the Treasury expressing the hope of the Chancellor that the Banks will find themselves able to decline business of this kind.

+888

CT 4.

(4) An Act was recently passed in Australia authorising the export of all gold held as security for their Note Issue. Information was recently received that £2,000,000 in gold had already been shipped to London and that further shipments would follow. The Bank at once raised a question with the Commonwealth Bank as to the wisdom of their policy in thus parting with all their gold and suggested that the matter should be given additional consideration before any further shipments were arranged. The Commonwealth Bank have agreed to suspend further shipments for the present and have asked the Bank to elaborate meanwhile their reasons for regarding the policy as unsound.

+844

CT 36

(5) With reference to Minutes of the 1<sup>st</sup> June as to the Ottawa Conference, the gold mining industry propose to send Mr. P. W. Anderson from Johannesburg to represent them at the Conference. They also wish to have an expert adviser and, if the Bank agree, would like to invite Professor Clay to accompany Mr. Anderson. It was agreed that it would be advantageous to the Bank if Professor Clay were at Ottawa to work in co-operation with Kershaw.

(6) Pending

15<sup>th</sup> June, 1932

CT 100

CT 100.06

CT 95.05

+ 378

- 330

CT 95.05

CT 41

(b) Very little of interest took place at the Monthly Meeting of the Bank for International Settlements, but it was evident that the condition of the whole of Eastern Europe is steadily deteriorating.

The Bank for International Settlements are considering whether or not to give support to the Majority Report of the Gold Delegation of the League of Nations and in this connection the address which was given by Dr Tupp after the General Meeting in Basle last month is interesting.

While at Basle the Governor received a visit from Dr. Popovics, who expressed the view that Hungary would probably, in the near future reduce the interest on Internal loans and default in respect of all Foreign loans and that there seems to be little prospect of resumption of payments at any early date.

Present:-

The Governor  
The Deputy Governor  
Mr. Lubbock  
Mr. Grenfell  
Mr. Shaw  
Mr. Gladstone  
Sir Andrew Duncan  
Mr. Peacock

Wednesday, the 22<sup>nd</sup> June, 1932

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.

The following were submitted and referred to the Court:-

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

minute

22<sup>nd</sup> June, 1932.

6

Minute of the Staff Committee recommending appointments, etc.

Quarterly Report of the Staff Committee on payments made, etc.

1826  
CT 84.01

With reference to minutes of the 27<sup>th</sup> April last the question of making application to the Lords Commissioners of His Majesty's Treasury for continuance of the increase of £15,000,000 in the Fiduciary Issue after the 30<sup>th</sup> instant was discussed and decision was deferred until next week.

1881  
CT 55

The Governor informed the Committee that he had nominated Mr. Kershaw as a member of the Colonial Currency Committee in the room of Mr. Mahon.

1860  
CT 70

The Committee approved in principle certain consequential Resolutions to be submitted to the Court if and when the Report of the Special Committee on Organisation was adopted.

Wednesday, the 29<sup>th</sup> June, 1932.

Present :-

The Governor

The Deputy Governor

Mr. Lubbock

Mr. Grenfell

Mr. Shaw

Mr. Gladstone

Sir Andrew Duncan

and  
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.

It was agreed to recommend to the Court that the Bank Rate be reduced from 2½ per cent. to 2 per cent.

The Weekly Reports on Central Banks were submitted together with the Fortnightly Letter to Dominion Central Banks.

It was agreed to recommend to the Court-

(1) That

29<sup>th</sup> June, 1932

(1) That M. A. Roche, a Woman clerk, who has tendered her resignation on account of ill health, be granted during pleasure and in accordance with the scale a Pension of £55.18/- a year from the 1<sup>st</sup> August inclusive.

Office File  
127.

LC59

(2) That a donation of £50 be made to the funds of the Royal Statistical Society.

(3) That Mrs. \_\_\_\_\_ wife of \_\_\_\_\_ formerly a 1<sup>st</sup> class clerk in the Transfer by Deed Office, be granted during pleasure a compassionate Allowance of 30/- a week with an additional Allowance of 10/- a week for each of two children while under the age of 16: the case to be reconsidered in the event of any material change taking place in Mrs. \_\_\_\_\_ circumstances.

A Report of the Committee on St. Luke's recommending a donation from the funds of St. Luke's Printing Works was submitted and referred to the Court.

+ 826  
CT 34.01

With reference to minutes of the 27<sup>th</sup> April last and earlier it was agreed to recommend to the Court that application be made to the Lords Commissioners of His Majesty's Treasury that the increase in the Fiduciary Issue from 260 millions to 275 millions be continued until the 30<sup>th</sup> September 1932.

+ 894  
CT 132

The Governor informed the Committee that the Fairfield Shipbuilding and Engineering Company Limited is at present in a difficult position and in need of funds to enable them to continue. It would admittedly be contrary to the national interest for this essential and economic shipbuilding yard to be closed down and he has been endeavouring to persuade their Bankers to supply such additional funds as are needed. With this object in view he recently interviewed the

Treasurer

29<sup>th</sup> June, 1932. Treasurer of their Bank and had reason to hope that the necessary assistance would be available; he has now learnt, however, that the Directors of the Bank concerned have refused to make any further advance. He therefore proposes to do his utmost in some other way to supply the necessary funds.

Present:-

The Governor  
The Deputy Governor  
Mr Lubbock  
Mr Grenfell  
Mr Gladstone  
Sir Josiah Stamp  
Mr Peacock.

Wednesday, the 6<sup>th</sup> July, 1932.

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.

It was agreed to recommend to the Court of Directors-

- (1) That C. A. Wallworth, the Deputy Chief Clerk at the Liverpool Branch, who is 64 years of age and has completed 46 years' service, be granted, during pleasure and in accordance with the scale, a Pension of £525 : 13 : 4 a year from the 16<sup>th</sup> October next inclusive.
- (2) That permission be granted to Lord Cullen of Ashbourne to join the Board of the Rio de Janeiro City Improvements Company Limited.
- (3) That permission be granted to Mr Shaw to join the Boards of the Eastern Coal Company Limited and the English Boating Company Limited.
- (4) That a gratuity of £500 be granted to Mr R. C. G. Dale, the Secretary.

an application

6<sup>th</sup> July. 1932.

An application from the Bristol Branch for a donation to a fund being raised by the Lord Mayor of Bristol for the extension of the Hospital was approved in principle and it was left to the Governors to fix the amount of the donation.

The Committee were acquainted with the following matters-

CT. 74 ~~+C86~~

1. In consultation with the Treasury, the Governor had again authorised a payment to Sir Otto Niemeyer of approximately £800 a year in connection with special and secret services on behalf of the Bank's relations with the Press, the arrangement to be reviewed in six months' time.

CT 41. ~~+C30~~

CT 38 ~~+92~~

2. With reference to Minutes of the 13<sup>th</sup> April last and earlier, the Bank had agreed to the renewal for a period of 3 months of the Central Bank credits to the National Bank of Austria and the National Bank of Hungary which mature on the 16<sup>th</sup> and 18<sup>th</sup> instant respectively on such terms and conditions as may be agreed by the other parties to the credits.

Wednesday, the 13<sup>th</sup> July, 1932.

Present:—

A full Committee

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 Fortnightly Letter to Dominion Central Banks.

It was agreed to recommend to the Court that the following be appointed to serve for the ensuing year as the Representatives of the Court on the Advisory Council of Directors and Staff:—

Sir Alan Anderson, Chairman  
Mr. Lubbock,  
Mr. Goschen,  
Mr. Clegg,  
Mr. Walker,  
Mr. Yeomans.

It was agreed to recommend to the Court of Directors that pensions be granted, during pleasure and according to the scale, to the following persons—

Miss H. J. Bryson, an Assistant to the Superintendent of Women Clerks, age 50 on the 31<sup>st</sup> July, service 30 years, salary £385 a year, £231 a year from the 1<sup>st</sup> August inclusive.

Richard Harding, a Temporary Porter, age 65 on the 17<sup>th</sup> July, service 14 years, wages £175-10/- a year, £65 a year from the 18<sup>th</sup> July inclusive.

13<sup>th</sup> July 1932

G. R. Barreto, a Composer at St. Duke's, age 70 years on the 22<sup>nd</sup> July, service 20 years, wages £247 a year, £82:6:8 a year from the 28<sup>th</sup> July inclusive.

J. S. Edwards, a Binder at St. Duke's, age 65 on the 17<sup>th</sup> July, service 37 years, wages £249:12:- a year, £139:15:8 a year from the 18<sup>th</sup> July inclusive.

The Committee were acquainted with the following matters -

(1) Mr Whitworth may receive an invitation to become the Chairman of the Brazilian Warrant Agency <sup>Finance</sup> and ~~Agency~~ Company, limited. If invited, he would make it a condition of his acceptance that all the present Members of the Board should first hand in their resignations. He has been advised also to require the production of a satisfactory Balance Sheet. Sir Bertram Hornely is of opinion that if these conditions are satisfied, Mr Whitworth would be justified in seeking the permission of the Court to accept the position, if invited to do so.

CT 28

1938

(2) The Advance by the Bank of England to the Austrian Government is due for renewal on the 16<sup>th</sup> instant and will of necessity be renewed for three months, subject to repayment at an earlier date out of the proceeds of any loan which may be issued by the Powers for the rehabilitation of Austria.

CT 21

1940

(3) With reference to Minutes of the 6<sup>th</sup> April and earlier, the credit of £500,000 to [redacted] will be renewed for 60 days from the 28<sup>th</sup> July on the same terms as before.

4. Little

13<sup>th</sup> July,

1932

LB-78

CT100

CT100.06

CT95.05

(4) Little of interest had occurred at the Monthly Meeting of the Board of the Bank for International Settlements. A Resolution had, however, been approved which brings the Bank for International Settlements into line with the Financial Committee of the League of Nations in respect of the recent Report of the Gold Delegation.

In connection with this the question was raised as to whether the Bank of England can be regarded as committed to any policy adopted by the Bank for International Settlements, by reason of the fact that the Governor is an ex-officio Member of the Board of that Bank.

CT100.01

Wednesday, the 20<sup>th</sup> July, 1932.

Present:—

The Governor,

Mr. Lubbock,

Mr. Shaw,

Mr. Gladstone,

Sir Stamps

Sir Andrew Duncan,

Mr. Peacock.

Mr Hambro

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:—  
Weekly Reports on Central Banks.

Monthly Report of the Committee on Advances and Discounts.

A Minute of the Staff Committee recommending Appointments R., was submitted and referred to the Court.

It was agreed to recommend to the Court that a General Court to consider of a Dividend be held on Thursday, the 22<sup>nd</sup> September.

The

20<sup>th</sup> July 1932

The Governor acquainted the Committee of the following matters -

(1) In the opinion of Professor Sprague the Statistical Section need further help from outside the Bank, and it is proposed, on the recommendation of Professor Clay, to invite Mr. H. C. B. Mynors, a Fellow of Corpus Christi College and a University Lecturer on Economics at Cambridge, to work at the Bank for a few weeks during the latter part of the long vacation and to offer him for this period a nominal fee.

If Mr. Mynors likes the work here and appears to be suitable he may be offered subsequently a permanent engagement on terms to be arranged.

+ 672

CT 179

(2) With reference to Minutes of the 6<sup>th</sup> April last as to the establishment of an Industrial Mortgage Company to grant long term loans on Mortgage to Industrial concerns, there was every prospect that a Corporation with a Capital of, say, £500,000 would be formed in the Autumn with this object in view and he proposed that the Bank should give their support together with a nominal subscription.

Mr. Booth wishes to be a Director of the new Corporation, but in his view it was undesirable for the Bank, as such, to have at first any representation on the Board of the new Company.

+ 683

CT 189

(3) With reference to Minutes of the 8<sup>th</sup> June last and earlier he hoped in a few days to arrange for Mr. Nigel Campbell to succeed Sir Guy Granet as his Alternate as Chairman of the Bankers Industrial Development Company with freedom to make any changes that may be necessary.

(4) He

20<sup>th</sup> July 1932

(4) He has recently interviewed various Firms in the Discount Market as to the importance of converting their holdings of 5% War Loan and has undertaken that the Bank will for a period overlook the fact that they will thereby hold a "Long" instead of a "Short" Security.

1000  
CT. 4

(5) A long cable has been received from the Chairman of [redacted] outlining their difficulties and asking for the co-operation of the Bank of England against further exchange depreciation, including an advance for £3,000,000 to enable them to maintain their published reserve in London until the commencement of their Export Season.

It seems important for the Bank of England to give all possible support to the Chairman's policy of sound finance.

CT. 45 184

(6) In accordance with the existing law the Reichsbank may not reduce their Rate of Discount below 5% when their proportion falls below a certain point: that point has long been reached but political pressure is now being applied for a reduction below 5%. Under the Hague Agreement provision was made whereby the German Government might vary by law certain clauses in the Reichsbank Law provided the consent of the Bank for International Settlements was first obtained. There is reason to fear that this consent may now be demanded from the Bank for International Settlements or even that they may be ignored and that the rate may be reduced by Decree.

Any action of this nature must arouse controversy and would moreover jeopardise the continuance of the Gold Standard in Germany.

The Governor

20<sup>th</sup> July, 1932.

The Governor asked the Committee to consider the following points -

(a) How, if at all, are the Bank to regulate the amounts received from Central Banks in respect of -

Treasury Bills

Money Employed

Commercial Bills

(b) Is the Bank prepared to take from any Central Bank an unlimited amount in any or all of these categories.

(c) What steps should the Bank take to regulate -

(i) The amount of short Money in London, especially on account of any particular Country.

(ii) The amount of English money abroad, especially in any particular Country.

(iii) The amount of Capital issues in London (long or short term) on behalf of any particular borrower.

Wednesday, the 27<sup>th</sup> July, 1932.

Present :—

The Governor,  
Mr. Kibbock,  
Mr. Gladstone,  
Sir Josiah Stamp,  
Sir Andrew Duncan,  
Mr. Pearce &c.

Mr. Hambro  
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—  
Weekly Reports on Central Banks.

Fortnightly Letter to Dominion Central Banks.

Report from the Committee on St. Luke's as to certain payments in connection with fresh designs for the £1 and 10/- Bank Notes.

CT8404  
+250

The Committee had before them a letter from J.P. Costelow, a Superintendent in the Transfer by Deed Office, in which he tendered his resignation on account of continued ill-health. Costelow is 58 years of age and has completed 37 years' service: his salary is £750 a year. In the opinion of the Bank Medical Officer it is unlikely that Costelow will again be able to render satisfactory service and it was agreed to recommend to the Court that his resignation be accepted as from the 31<sup>st</sup> August and that he be granted a pension of £420 a year during pleasure and in accordance with the Scale from the 1<sup>st</sup> September inclusive.

On a letter from the Chairman of the Committee on St. Luke's it was agreed to recommend to the Court that the Executive Director in charge of Domestic Organisation be appointed an ex-officio Member of that Committee.

A Minute

27<sup>th</sup> July, 1932

CT 98.

A Minute of the Committee on St Luke's was read in regard to a watermark in paper supplied by Messrs. Portals for an issue of Spanish Bank Notes, which is considered to be an infringement of the Bank's rights, and setting out certain arrangements which the Committee considered should be accepted by Messrs. Portals for the future.

The Minute was approved and it was agreed on the recommendation of the Committee on St Luke's that the Secretary of the Bank be instructed to communicate these arrangements to Messrs. Portals.

With reference to the Order of Court of the 20<sup>th</sup> November 1930 as to the procedure to be adopted for the re-opening of the Waiting List of Candidates for Women Clerkships, the Governor informed the Committee that the List had on this occasion fallen below 50 in number and that consequently four nominations would be allotted to each of the Governors and two to each of the Directors, four additional nominations being given to the Governors for daughters of Clerks.

The Governor acquainted the Committee of the following matters—

CT 100

13-98

CT 118 '01

1-5-74

(1) Mr. Trip and Mr. Fraser have been appointed to represent the Bank for International Settlements on the Financial Sub-Committee of a Committee which has been set up for the preliminary examination of questions to be considered by the World Economic and Financial Conference.

(2) With

27<sup>th</sup> July, 1932H 78  
CT 100  
CT 100.01

(2) With reference to the Minutes of the 13<sup>th</sup> July he laid before the Committee a Memorandum by Mr. Siepmann defining the legal position of the Governor of the Bank, in his capacity as a Member of the Board of the Bank for International Settlements. From this it appears that the Governor speaks and acts as an individual at the Meetings of the Board of that Bank.

The Governor considers that he is free to vote as may be necessary at these Meetings although in cases involving Credits from Central Banks he has always stated that he can only make a recommendation to the Bank of England. Subject to this, he is of opinion that he should keep the Committee of Treasury informed of any matters of policy affecting the Bank of England that may arise and that nothing more should be required of him.

CT 45 187

(3) With reference to the last Minutes as to the Reichsbank Law it is likely that in the near future the question of a reduction of the Reichsbank rate below 5% will be raised. It is desirable that the legal method of approach through the Bank for International Settlements should be adopted, rather than that of effecting a reduction by decree. As this is a political as well as a Banking question he is writing to Mr. Luther to this effect by agreement with the Treasury.

Wednesday, the 3<sup>rd</sup> August, 1932.

Present:—

The Governor,

The Deputy Governor,

Mr. Lubbock,

Mr. Grenfell,

Mr. Gladstone,

Mr. Angus Duncan,

Mr. Placore,

Mr. Hambro

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.

With reference to the Report of the Special Committee on Organisation which was approved by the Court on the 23<sup>rd</sup> June, it was agreed to recommend to the Court that the following Appointments be made—

Mr. R. C. G. Sale, the Secretary, to be Secretary and Chief of Establishments, to undertake the re-organisation of the Secretary's Department and the organisation of the Establishments Department.

Mr. , Deputy Secretary, to be Deputy Chief of Establishments.

Mr. V. H. D. Skinner, Secretary to the Governor, to be Deputy Secretary.

The Salaries attaching to these positions to be considered with those of the other positions to which Appointments will in due course be made in accordance with the Report: the three Officials above-named to continue to receive in the meantime their present Salaries.

The

3<sup>rd</sup> August, 1932

~~HC 2~~  
opposed Feb  
MS 4

The Committee had before them a letter from the Chairman of the Council of the Royal Institute of International Affairs asking for a further renewal of the Bank's subscription to the Institute. It was agreed to recommend to the Court that the Bank should subscribe £100 a year for a further period of three years, and that no consideration be given to any further appeal.

~~HC 26~~  
CT. 15

The Governor informed the Committee that Sir Otto Niemeyer would shortly be going to Roumania on behalf of the Finance Committee of the League of Nations.

~~HC 60~~  
CT 181-01

With reference to Minutes of the 14<sup>th</sup> October 1931 and earlier, the Committee were informed of the progress of negotiations to bring about a re-organisation of the Board of the Lancashire Cotton Corporation, following the resignation of Sir Kenneth Stewart, the Chairman.

Wednesday, the 10<sup>th</sup> August, 1932.

Present:—

The Governor,  
The Deputy Governor,  
Mr Ambrose,  
Mr Grenfell,  
Mr Gladstone.  
  
Mr Hambro  
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 and the Fortnightly Letter to Dominion Central Banks were submitted.

The Quarterly Report of the Staff Committee on the Accountants and Cashiers Departments &c, was submitted and referred to the Court.

It was agreed to recommend to the Court that A. W. Gough, the Principal of the Transfer by Seed Office No 2, who will attain the age of 60 years on the 17<sup>th</sup> September next, be granted a Pension of £814 : 13 : 4 a year during pleasure and in accordance with the scale from the 13<sup>th</sup> November next inclusive.

CT 98

With reference to Minutes of the 27<sup>th</sup> July it was agreed at the request of the Committee on St. Luke's that the Secretary of the Bank be instructed to invite the co-operation of Messrs. Portal in the protection of the watermark, provisionally adopted for an alternative issue of £1 and 10/- Bank Notes.

The Governor acquainted the Committee of the following matters—

(1) With reference to Minutes of the 1<sup>st</sup> June last as to the appointment of the League

Roanes

11829  
CT 167

10<sup>th</sup> August  
1932

Loans Committee the Bank, must, in his opinion, be responsible for travelling and other expenses incidental to the work of that Committee.

~~1946~~  
CT 20

(2) On the 1<sup>st</sup> June 1932 the Bank of England agreed in principle to grant a three months' credit to [redacted] on the understanding that the [redacted] would continue their present policy of maintaining their currency approximately at the old parity with sterling; the credit was, however, not used.

On the 4<sup>th</sup> August

[redacted] renewed proposals for a credit, but on terms permitting a relaxation of exchange control in [redacted] and some consequent depreciation of the currency. These new proposals were not accepted, owing to the suggested change of conditions.

~~1948~~  
CT 38

(3) With reference to the Minutes of the 13<sup>th</sup> April and earlier as to the Advance by the Bank to the Government of Austria, back interest has been regularly paid in terms of gold on each renewal date until the 16<sup>th</sup> July when the Advance was last renewed. All transfers in respect of Austrian Government indebtedness have been suspended in virtue of a decree dated the 17<sup>th</sup> July, but the National Bank of Austria applied this decree to the interest due on the previous day in respect of this Advance and declined to transfer the interest which had been set aside in Austrian Currency by the Government.

~~1946~~  
CT 38

(4) The Trustees of the Austrian Guaranteed Loan of 1923 find that they are now required to undertake work which was not contemplated at the time of their appointment. This work

10<sup>th</sup> August.  
1932.

is mostly done in London since everything passes through the hands of Messrs. Freshfields and he proposes that the Bank of England should now accept this responsibility and place the work in charge of a member of their Staff now partly engaged with the League Loans Committee who would act in fact if not in name as Secretary to the Trustees. All expenses of the Bank would be recoverable under the General Bond.

~~1930~~  
CT 70.01  
CT 70.04  
CT 70.05

With reference to the Report of the Special Committee on Organisation which was approved by the Court on the 23<sup>rd</sup> June, letters were laid before the Committee embodying the terms of an arrangement under which Mr. C. J. Hambro agreed to act as an Executive Director at the Bank until the 31<sup>st</sup> March 1933.

The Committee approved and agreed that as the arrangement was of a temporary nature Mr. Hambro be allowed to remain a Member of the Boards of Hambro's Bank, Ltd., the Great Western Railway and the Mercantile Bank of India, provided he obtained leave of absence from these Companies for this period.

Wednesday, the 17<sup>th</sup> August, 1932.

Present:—

The Deputy Governor,  
Mr. Lubbock.

Mr. Hambro  
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 and the Monthly Report of the Committee on Advances and Discounts were submitted.

The following were submitted and referred to the Court—

Minute of the Staff Committee recommending <sup>Appointments &c</sup>  
Minute of the Committee on Advances and Discounts recommending the continuance of facilities granted to certain customers in regard to Advances, &c.

It was agreed to recommend to the Court that A. C. Freestone, a Bank Note Stamp, who will attain the age of 60 years on the 7<sup>th</sup> November be granted from the 8<sup>th</sup> November inclusive a pension of £140:8/- a year during pleasure and in accordance with the scale.

Wednesday, the 24<sup>th</sup> August, 1932.

Present:—

The Deputy Governor

Mr. Shaw

Mr. Gladstone

Mr. Hume

attended by  
invitation

The proceedings of the last Committee were read and approved.

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

The Deputy 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 per cent. less Income Tax, amounted to £1,070,000.

It was proposed to deal with this surplus as follows:—

To writing down the Bank's Interest in Chicout Ltd. ... ..	£1,000,000
To writing down to Market price the Bank's holding of Lancashire Cotton Corporation 6½% Debenture Stocks	30,000
To Suspense Account No 1 ... ..	40,000
	<u>£1,070,000</u>

The Committee had before them copies of the Advertisement of the General Court to be held on the 22<sup>nd</sup> September and of the Resolutions to be proposed thereat, together with a letter of approval from Messrs. Freshfields, Deane & Munns.

It was agreed that the Advertisement and Resolutions should be circulated to  
the

24<sup>th</sup> August,  
1932.

the Members of the Court to-morrow and is formally submitted for the approval of the Court next week.

The Deputy Governor acquainted the Committee of the following matters—

(1) M. Lacombe-Gayet has come to London primarily to study the methods adopted in the recent conversion of 5% War Stock.

+ 8/62  
ET 29

(2) With reference to Minutes of the 8<sup>th</sup> June last as to the repatriation by the [redacted] of all balances held by them abroad, the [redacted] now has no balance on its main account with the Bank.

There are, however, certain subsidiary accounts of that Bank with balances aggregating about £15,000 and the Bank hold for these accounts about £1,000,000 Commercial and Treasury Bills which carry the guarantee of the Bank.

The Committee regarded this as an unsatisfactory position and were of opinion that the first suitable opportunity should be taken to discuss the matter with the [redacted]

Wednesday, the 31<sup>st</sup> August, 1932.

Present:—

The Deputy Governor,  
Mr. Gladstone,  
Sir Andrew Duncan

Mr Hambro  
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.

It was agreed to recommend to the Court that permission be granted to Mr. Whitworth to join the Boards of E. Johnston & Co. Ltd, and the Lambury Coffee & Cotton Estates Ltd, Subsidiary Companies of the Brazilian Warrant Agency & Finance Co. Ltd.

The Deputy Governor acquainted the Committee of the following matters—

- <sup>1</sup>  
~~HEH~~  
Establs. (1) On the 28<sup>th</sup> July last a Bank Note Stamper, fell down while walking across the Bank Note Library and fractured his skull. He died on the following day and the Bank are advised that, under the provisions of the Workmen's Compensation Act, they are liable for an amount of £300 as compensation to his Widow and £196 : 4 : — in respect of his child, aged 2 years: these amounts are being paid into the Mayor's and City of London Court through Messrs. Freshfields, Lees & Munns under their advice.

(2) The

31<sup>st</sup> August,  
1932.

CT 45

1817

(2) The Central Bank Credit to the Reichsbank matures on the 5<sup>th</sup> instant: it is understood that the other participants in the Credit are of opinion that in existing circumstances there is no option but to renew for a further period of 3 months on the existing terms, and he proposes to inform the Bank for International Settlements that the Bank of England are prepared to renew their participation on these conditions, provided the other participants do likewise.

1866

CT 81

(3) He read to the Committee a letter which had been written by the Bank to the Department of Overseas Trade to the effect that, provided the consent of the Treasury is obtained, the Bank will be prepared to attend a Meeting with responsible representatives of industry who wish to discuss questions of Exchange control, Clearing Houses, &c.

With reference to the last Minutes, the advertisement of the General Court on the 22<sup>nd</sup> September and the Resolutions to be proposed thereat were again discussed.

Wednesday, the 7<sup>th</sup> September, 1932.

*Present:—*

The Deputy Governor,  
Mr. Grenfell,  
Mr. Gladstone,  
Mr. Andrew Duncan

Mr Hambro 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 and the Fortnightly Letter to Dominion Central Banks were submitted.

~~1718~~  
ET 66

With reference to Minutes of the 2<sup>nd</sup> March last agreeing that the limit of Advances by the Bank to the Bank Provident Society, to enable Members to purchase their houses, be fixed at £150,000, the Deputy Governor informed the Committee that this amount had now been exceeded and that he proposed to increase the limit to £160,000.

Present:-Wednesday, the 14<sup>th</sup> September, 1932.

The Governor  
 The Deputy Governor  
 Mr. Gurnell  
 Mr. Gladstone  
 Sir Josiah Stamp  
 Sir Andrew Duncan  
 —  
 Mr. Hambro 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.

The following were submitted and referred to the Court —

Minute of the Staff Committee recommending  
 Appointments, etc.

Half-yearly Accounts of St. Luke's Printing Works  
 and of the Works Department.

L. 581.

CT. 56

In connection with the Accounts of St. Luke's Printing Works it was agreed that for the information of the Committee particulars should be obtained of the general intentions of the Committee on St. Luke's as to repayment of Capital and as to their policy regarding the capital basis which is to govern the costing of their charges to His Majesty's Treasury.

With reference to the recommendation in the Report of the Special Committee on Organisation as to visits of Directors to the Branches the Committee discussed the arrangements to be made for these visits and decision was deferred until next week.

The Governor acquainted the Committee of the following matters —

(1) He

14<sup>th</sup> September, 1932+B 89  
CT 117

(1) He laid before the Committee copies of Memorials from the League Loans Committee to His Majesty's Government and to the Council of the League of Nations which will be published in a few days.

+B 40  
CT 21

(2) With reference to Minutes of the 13<sup>th</sup> July last, he read to the Committee a letter from \_\_\_\_\_ stating that \_\_\_\_\_ wish now to renounce the credit of £500,000 which was renewed to them for 60 days from the 28<sup>th</sup> July.

+B 40  
CT 40

(3) He yesterday informed M. Rueff, Financial Attaché to the French Embassy, who came to see him on behalf of the French Government, that the Bank of England are prepared to deal in London with French Rentes of the British Issues if the French Government decide to launch a scheme of conversion covering those Issues.

+B 78  
CT 100  
CT 100.01

(4) With reference to Minutes of the 27<sup>th</sup> July last, he laid before the Committee the Draft Minutes of the July Meeting of the Board of the Bank for International Settlements and informed them of his intention to submit to them henceforward the Minutes of every such Meeting.

+C 86  
CT 74

(5) He discussed with the Committee the Press comments arising from his recent visit to Canada and the United States and asked for their views as to what action, if any, the Bank should take in the matter.

+B 44  
CT 115

The Committee was asked to consider what the attitude of the Bank should be in regard to the purchase by British investors of securities expressed in foreign currencies.

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

11<sup>th</sup> September, 1932 Bank for the past half-year.

It was agreed to recommend to the Court of Directors for submission to the Court of Proprietors 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 21<sup>st</sup> September, 1932.

Present:—

The Governor,  
The Deputy Governor.

Mr. Aubrey,  
Mr. Grenfell.

Mr. Gladstone.

Mr. Private Stamp.

Mr. Andrew Duncan.

Mr. Peacock.

Mr. Hambro

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

It was agreed to recommend to the Court of Directors that H. W. Brent, Deputy Supervisor in the Security Paper Store, who will attain the age of 60 years on the 4<sup>th</sup> December next, be granted a pension of £586:13:4 a year during pleasure and in accordance with the scale from the 21<sup>st</sup> December inclusive.

With reference to the last Minutes, the arrangements for visits of Directors to Branches after further discussion were approved and it was agreed to make recommendations to the Court next week.

With

21<sup>st</sup> September,

1932

L 881

CT 56

With reference to the last Minutes, further particulars were furnished to the Committee as to the capital basis governing the costing of the charges made by St. Luke's Printing Works to the Treasury and after discussion the matter was deferred pending the completion of a valuation, now in progress, of the Buildings and Site of St. Luke's Printing Works.

The Committee were then acquainted of the following matters—

L 885

CT 68

(1) In accordance with the Agreement with the Royal Bank of Scotland the time had now arrived for that Bank to decide whether they will purchase the premises formerly occupied by the Western Branch which, under the terms of the Agreement, have now been valued by Messrs. St Quintin, Son & Stanley at £200,000. The value of the goodwill of the business must now also be determined; this may, it is thought, amount to about £100,000 against which must be set a sum of about £30,000 to £35,000 payable to the Royal Bank of Scotland by the Bank of England, being the commutation value of the pensions of Members of the Bank of England Staff who are now in the employ of the Royal Bank of Scotland, calculated as provided in the Agreement. The Committee were of opinion that the sum payable in respect of goodwill should be fixed by agreement between Messrs Selwicks and the Accountants to the Royal Bank of Scotland.

CT 100

B 78

CT 45

B 77

(2) The Board of the Bank for International Settlements at their Monthly Meeting, acting under Annex A of the Young Plan, did

not

21<sup>st</sup> September  
1932

not oppose the proposal of the German Government to issue a decree nominally limited in period, whereby the Reichsbank are empowered to reduce their Rate of Discount below 5% although their proportion is below the figure which would permit such a reduction under the terms of the Plan.

Wednesday, the 28<sup>th</sup> September, 1932.

Present:-

The Governor,

The Deputy Governor were read and agreed.

Mr. du Bois,

Mr. J. A. Stamp,

Mr. Andrew Duncan,

Mr. Peacock.

The proceedings of the last Committee

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 expressed the view that at the present time it is in the general interest that the existing rate should be maintained and, moreover, that as a general principle 2% should be regarded as a minimum.

The Weekly Reports on Central Banks were submitted together with the Draft Minutes of the September Meeting of the Board of the Bank for International Settlements.

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

With

28<sup>th</sup> September

1922

1926

CT84-01

With reference to Minutes of the 29<sup>th</sup> June last, it was agreed to recommend to the Comt that application be made to the Lords Commissioners of His Majesty's Treasury for the increase of £15,000,000 in the Fiduciary Issue from £260,000,000 to £275,000,000 to be continued until the 31<sup>st</sup> December next.

It was also agreed to recommend that A. H. D'Alton, a Superintendent in the 5% War Stock Office, who is 60 years of age and will complete 39 years' service on the 20<sup>th</sup> December next, be granted a Pension of £440 a year, during pleasure and in accordance with the scale, from the 21<sup>st</sup> December inclusive.

The Committee were acquainted of the following matters -

CT171 (1) Sir James Cooper's engagement under the terms of the Agreement made with him in May 1929 will expire on the 28<sup>th</sup> February next.

+ 913  
CT 163

(2) Over a period of years from 1898 to 1923, the Bank made advances to the Llanelli Harbour Trust, the entire security for which under an Act of 1910 consists of a statutory charge on the rates of the Town of Llanelli. Regular repayments have been made and the amount outstanding is about £200,000. The Harbour Trust are considering the possibility of raising further monies by public issue or otherwise and in this connection are anxious to obtain from the Bank some temporary relief in respect of the annual sums payable to the Bank out of the rates on account of Capital and Interest under the provisions of the Act of 1910. He proposed to refer the matter to Lord Hyndley, Mr. Bruce Gardner and the Chief Cashier for examination and report.

(3) He has

28<sup>th</sup> September  
1932  
1072  
Office File  
M36  
(Montana Hall)

(3) He has been informed that the only Sanatorium in Switzerland for tubercular patients which is run on British lines and under British control and management is in need of further capital of £6,000 with which to discharge the final payments due to the Contractors for the cost of the building and equipment, and so save the Institution from falling into their hands. The payments fall due between the 1<sup>st</sup> November and the 31<sup>st</sup> December next. In his opinion the continuance of this Sanatorium on its present lines is desirable in the public interest: he has instructed the Secretary to make further enquiries and if these prove satisfactory he proposes to ask the consent of the Court to engage the Bank to this extent.

~~1077~~  
CT 115

(4) The embargo on fresh issues will shortly be partly removed and the question now arises as to the policy to be adopted by the Government in respect of the Loan Market in the future.

He asked the Committee to consider—

(i) Whether some system of control is desirable and, if so, whether the basis of such a system should be—

A public request by the Chancellor,

A Committee established by voluntary action in the City,

Power vested by general consent in the Bank of England, or

Powers established under Statutory Authority.

(ii) The extent to which any system of control should be applied. Should it, for example, cover all or any of the following points—

(a) The amount and date of issue

(b) The purposes to which the proceeds of an issue are to be devoted.

(c) Whether such proceeds are to be expended at home or overseas (Imperial or Foreign)

(d) The credit of the Borrower

(e) The choice between long, mid-term or short maturity.

Wednesday, the 5<sup>th</sup> October, 1932.

Present:—

The Governor,  
The Deputy Governor,

Mr. Lubbock,

Mr. Grenfell,

Mr. Shaw,

Special Stamps,

Mr. Andrew Duncan,

Mr. Peacock,

Mr. Hambro attended  
by invitation

The proceedings of the last Committee were read and approved.

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

Wednesday, the 12<sup>th</sup> October, 1932.

Present:—

The Governor,

Mr. Lubbock,

Mr. Grenfell,

Mr. Shaw,

Mr. Gladstone,

Special Stamps

Mr. Andrew Duncan

Mr. Peacock,

Mr. Hambro attended  
by invitation

The proceedings of the last Committee were read and approved.

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.

It was agreed to grant a Compassionate Allowance of 10/- a week to the Misses daughters of the late, formerly a Sub-Cashier; the Allowance to be reviewed on the death of either of them.

It was

1935  
Estab.

12<sup>th</sup> October,  
1932.

It was agreed to recommend to the Court of Directors —

(a) That the procedure for the Selection of Governors, as laid down by an Order of Court of the 30<sup>th</sup> November 1848, be amended.

(b) That special remuneration be granted for the current year to certain Members of the Court in consideration of their devoting their exclusive services to the Bank.

(c) That Pensions be granted during pleasure and in accordance with the scale to the following persons:—

(i) H. S. Stooke, 2<sup>nd</sup> Cashier, who will attain the age of 65 years on the 20<sup>th</sup> October, £662:12:8 a year from the 21<sup>st</sup> October inclusive.

(ii) James Suffy, an Inspector at St Luke's Printing Works. Age 65 years. Service 39 years. £165:10/- from the 23<sup>rd</sup> October inclusive.

The Governor acquainted the Committee of the following matters —

CT 115 ~~1677~~

(1) Following on the announcement of the 1<sup>st</sup> instant by the Chancellor, the Treasury are receiving an increasing number of applications for permission to make issues: many of these applications present considerable difficulty, but in every case a definite and prompt answer must be given. In order to facilitate matters he has requested Mr Hambro, Mr. Bischoff and the Chief Cashier to act as advisers to the Treasury.

CT 36 ~~168~~

CT 41 ~~1630~~

(2) With reference to Minutes of the 6<sup>th</sup> July last and earlier the Bank had no alternative but to agree with the Bank for International Settlements to the renewal for a further three months of their participation in the Central

Banks

12<sup>th</sup> October. 1932 Banks Credits to the National Bank of Austria and the National Bank of Hungary, which mature on the 16<sup>th</sup> and 18<sup>th</sup> instant respectively, on the terms and conditions agreed by the other participants.

+ 220  
CT 84.01

(3) With reference to Minutes of the 23<sup>rd</sup> September and earlier as to the continuance of the increase in the Fiduciary Issue arrangements are being made to accumulate by the end of the year a supply of gold sufficient to enable this increase to lapse without any reduction in the circulation.

(4) He has recently received a visit from the Argentine Ambassador who wished to enquire about establishing contact between his Government and the Bank. He read a note of the interview at which he expressed the willingness of the Bank to give all possible assistance, but emphasized the fact that the Bank could only co-operate with the Banco de la Nacion Argentina.

+ 278  
CT 100

(5) He gave a brief outline of his visit to Basel for the Monthly Meeting of the Board of the Bank for International Settlements.

CT 100.01  
CT 100.03

Mr. McGarrath goes shortly to New York for some weeks and in the Spring will probably relinquish his post as Chairman. In his opinion it would be advisable to appoint a Frenchman as his successor if a suitable man can be found: and that Frenchman would presumably become the only French Representative on the Management.

There appears to be a strong feeling in favour of moving the Bank from Basel, in view of the climate and the inaccessibility, but any such move will be difficult to arrange.

It

12<sup>th</sup> October,  
1932.

It was decided that in future, no Communiqués would be regularly issued in connection with the Monthly Meetings of the Board. This was designed to meet complaints about leakages through the Members of the Board or the Management but in his view it was unlikely to prove effective.

Wednesday, the 19<sup>th</sup> October, 1932.

Present:—

The Governor,

Mr. Lubbock,

Mr. Grenfell,

Mr. Shaw,

Mr. Gladstone,

Sir John Stamp,

Sir Andrew Duncan,

Mr. Peacock,

Mr. Hambro  
attended by  
invitation.

The proceedings of the last Committee were read and approved.

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 called the attention of the Committee to the fall in the Bankers' Balances as published and stated that in his opinion it was of the utmost importance that these figures should not remain constant for any length of time, but should be allowed to fluctuate. He considered that if the public became accustomed to a constant figure it would after a time be difficult to reduce it without comment both in the City and in Parliament. He thought that in these days the price of money was less dependent on its volume than on the way in which it was used, and quoted as an example of this <sup>the</sup> fact that day to day money was easier this week at the same rate as that obtaining last week, when Bankers' Balances were £11 millions higher than they are to-day.

The following

19<sup>th</sup> October, 1932.

The following were submitted -  
 Weekly Reports on Central Banks.  
 Fortnightly Letter to Dominion Central Banks.  
 Monthly Report of the Committee on Advances  
 and Discounts.  
 Draft Minutes of the meeting of the Board of the  
 Bank for International Settlements held on the  
 10<sup>th</sup> October.

The following were submitted and  
 referred to the Court -

Staff Committee:

Minute recommending Appointments, &c.

Report recommending the Elections of 14  
 Probationary Male Clerks to the Permanent Staff.

Quarterly Report on Payments made, &c.

Audit Committee:

Report on Audits taken by the Audit Department  
 between the 17<sup>th</sup> May and the 16<sup>th</sup> September 1932.

Committee on Advances and Discounts:

Minute recommending the closing of a Discount  
 Account.

It was agreed to recommend to the  
 Court -

(1.) That Pensions be granted during pleasure and  
 in accordance with the Scale to -

Archibald Phillips, a Sub-Cashier, age 65 years,

service 42 years, average salary

£808:15:6 a year: £539:3:8 a year

from the 24<sup>th</sup> October inclusive:

and to the two following persons who have  
 tendered their resignations on account of  
 ill-health -

Osborn Symonds, Agent at the Manchester

Branch, age 60 years, service 42 years,

salary £2500 a year: £1566:13:4

a year from the 1<sup>st</sup> December inclusive.

Bruce Phillips, Chief Clerk at the Leeds Branch,

age 59 years, service 41 years, average

salary £817:2:6 a year: £501:3:4

a year from the 20<sup>th</sup> October inclusive.

(2) That

19<sup>th</sup> October.  
1932.

(2) That R. G. Harradence, Assistant Principal in the Branch Banks Office, age 50 years, service 31 years on the 14<sup>th</sup> November next, salary £1000 a year, who has tendered his resignation on account of ill-health, be granted a pension equal to full salary from the 15<sup>th</sup> November to the 31<sup>st</sup> December inclusive, and thereafter of £480 a year during pleasure and in accordance with the scale.

(3) That the Standing Committee to consider the Securities of Certain Funds, which expired in the year 1914, be now re-appointed and that its Members be —

Mr. Trotter,

Mr. Lubbock,

Mr. Goschen.

It was further agreed to recommend that the Committee shall examine quarterly the Securities held on account of the —

Bank, Provident Society,

Eastern Bengal Railway Sinking Fund,

Scinde Punjab & Delhi Railway Sinking Fund,

and report thereon to the Court.

(4) That the Governor be authorised to act in conjunction with the Chancellor of the Exchequer and the Comptroller General of the National Debt as a Managing Trustee of a Fund to be established to deal with certain monies bequeathed to the Nation under the terms of the Will of the late Dr. John Buchanan of Paisley.

ET 71.02

The Governor

19<sup>th</sup> October 1932

The Governor acquainted the Committee of the following matters -

L.B. 69  
CT 4

(1) The Governments of Australia and of New Zealand are considering the question of exporting the remainder of their respective gold reserves, but in his opinion it would be unwise for either of these countries to part with any further portion of their gold, although for different reasons.

L.B. 78  
CT 100  
CT 36  
CT 95

(2) Some months ago the South African Government altered the statutes of the South African Reserve Bank and so made it eligible for membership of the Bank for International Settlements. This fact has only recently been known to the Bank of England and the Bank for International Settlements. He has reason to believe that the Bank for International Settlements would like to extend an invitation for membership to the South African Reserve Bank and that any such invitation, if extended, would be accepted. The Bank for International Settlements would then invite the South African Reserve Bank to nominate a representative as a member of the Board and the danger would arise that they would be able to arrange for all gold exported from South Africa to be handled by the Bank for International Settlements.

It is difficult to take any effective action in the matter, but if the invitation is issued and accepted the Government of South Africa will have a strong inducement to make arrangements with the Bank for International Settlements whereby they will be freed from the so-called dominance of London.

(3) In deference to the wishes of the Chairman of the Committee of Clearing Bankers the Quarterly Luncheon will be postponed from Thursday, the 3<sup>rd</sup> November, to Thursday, the 10<sup>th</sup> November.

The

19<sup>th</sup> October.  
1932  
1888.  
et 57.

The Committee were informed that the Commissioner of the Metropolitan Police is endeavouring to re-organise the Force and check certain abuses which now exist. There has been widespread protest against the practice of house to house visits by policemen in uniform for the sale of tickets for concerts, &c, in aid of police charities and recreations, and the Commissioner has found it necessary to forbid this undesirable practice. This will involve a loss of some £14,000 a year and great pressure will be put upon the Commissioner to withdraw his prohibition. He is satisfied, however, that with a guarantee of, say, £10,000 a year for three years from other sources he will be able to resist the demand and at the same time make proper provision for the charities and recreations which are essential to the welfare of the police, until such time as he has been able to put them upon an assured basis. An appeal is being made to the Chairmen of the Clearing Banks and to certain business houses in the City for contributions towards this sum and a promise of help from the Bank would be of great value.

The Committee agreed that this was a matter of national importance and that if it appeared as a result of further investigation that the provision of the sum above-mentioned might achieve the desired end the Bank should contribute a sum of £1,050 a year for three years. In view of the necessity for secrecy it was further agreed that the matter be not reported to the Court.

Wednesday, the 26<sup>th</sup> October 1932.

Present:—

The Governor,  
Mr. Lubbock,  
Mr. Greiffell,  
Mr. Gladstone,  
Sir Josiah Stamp,  
Sir Andrew Duncan,  
Mr. Peacock,

Mr. Hambro attended  
by invitation

The proceedings of the last Committee were read and approved.

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.

The Weekly Reports on Central Banks were submitted.

The following were submitted and referred to the Court—

Staff Committee—

Minute recommending that the Rules and Orders for Clerks, Co., as revised, be adopted.

Quarterly Report on the Accountants and Cashiers Departments Co.

It was agreed to recommend to the Court of Directors that the proposal as to the pension for Mr. Osborn Symonds, Agent at the Manchester Branch, which was approved at the last Meeting, be cancelled and that the following recommendation be substituted, viz.

Pension equal to his full salary of £2500 a year for 6 months from the 1<sup>st</sup> December next and thereafter of £1566: 13<sup>s</sup>: 4<sup>d</sup> a year during pleasure and in accordance with the scale.

The Committee considered the case of Mr. R. N. Hershaw, who was appointed as  
from

26<sup>th</sup> October,  
1932.

from the 1<sup>st</sup> November 1929 for a period of 10 years, his Salary being only agreed for the first 3 years of that period, and it was agreed to recommend to the Court that the term of Mr Kershaw's engagement be extended to the 31<sup>st</sup> October 1942; that as from the 1<sup>st</sup> November 1932 he be granted a Salary of £2,500 a year rising annually by £200 a year to £3,500 a year, the first increase to take effect as from the 1<sup>st</sup> March 1934; and that he be an Adviser to the Overseas and Foreign Department with direct access to the Governors.

The other conditions of Mr. Kershaw's employment to remain unchanged.

With reference to the Report of the Special Committee on Organisation which was adopted by the Court on the 23<sup>rd</sup> June last, it was agreed to recommend to the Court for approval, proposals by the Special Committee and a Sub-Committee of the Staff Committee for Appointments to certain posts created under that Report.

It was also agreed to recommend that <sup>following</sup> the proposals as to the salaries to be granted to the Chief Officials of the Bank and to future occupants of these posts - as indicated in the accompanying schedule - be adopted, viz -

- (1) That the Salaries attaching to certain of these posts be revised.
- (2) That a limit be placed on the amount of additional pensionable Salary to be granted to the holder of any of these posts.
- (3) That personal Salary which shall not be pensionable may be granted beyond that limit.

It was further agreed that the Staff Committee be asked to consider whether these principles should also be adopted for the other Officials, Principals of Offices, &c.

In this

26<sup>th</sup> October 1932

In this connection with reference to the Minute of the 22<sup>nd</sup> April 1925, it was agreed that on this occasion no notice of the Appointments be communicated to the Press.

With reference to the Order of Court of the 13<sup>th</sup> October 1932 it was agreed to recommend to the Court that the Right Honourable Montagu Collet Norman, D. S. O., and Sir Ernest Musgrave Harvey, K. B. E., be invited to allow their names to be submitted to the Proprietors in April next for election to the Offices of Governor and Deputy Governor, respectively, for the ensuing year.

~~L. 84.~~  
CT. 56

With reference to Minutes of the 21<sup>st</sup> September last as to the capital basis governing the costing of the charges made by St. Luke's Printing Works to the Treasury, the Committee had before them a Minute on this question from the Committee on St. Luke's and it was agreed that discussion be deferred.

The Governor informed the Committee of the following matters—

~~L. 77.~~  
CT. 118. 01

(1) Sir Walter Layton has resigned his Membership of the Preparatory Committee of the World Economic Conference. His position must now be filled by an Official, probably from the Treasury, who will of necessity be largely unprepared. In order to remedy this as far as possible it is proposed that someone from the Bank who is acquainted with the problems to be discussed shall go to Geneva with the person selected.

~~L. 77.~~  
CT. 44

(2) Some weeks ago he raised with the Treasury the question as to whether a reserve of  
Devisen

26<sup>th</sup> October,  
1932

deviser should be provided against Debt payments to the United States on the 15<sup>th</sup> December. He was then told that it was not intended to make any such provision and on the 17<sup>th</sup> instant the Chancellor confirmed this decision. The Bank are therefore taking no steps.

Wednesday, the 2<sup>nd</sup> November, 1932.

Present:-

The Governor

Mr. Lubbock

Mr. Gifford

Mr. Straw

Mr. Gladstone

Sir Andrew Duncan

Mr. Peacock

Mr. Hambro

attended by

secretaries

The proceedings of the last Committee were read and approved.

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

An Interim Report of the Committee to consider the Securities of certain Funds was submitted and referred to the Court.

It was agreed that Compassionate Allowances of £26 a year each be granted to the Misses and daughters of the late who was formerly the Chief Clerk, in the Chief Accountants Office, the allowances to be reviewed in the event of Miss obtaining an annual grant from the Funds of the Royal United Kingdom Beneficent Association.

It

2<sup>nd</sup> November,  
1932

It was agreed to recommend to the Court that a pension of £500 a year be granted during pleasure and in accordance with the scale to J. G. McKay, Superintendent in the Register Office, as from the 1<sup>st</sup> February next.

The Committee had before them a letter from Miss J. J. Phillips, a Woman Clerk, who was suspended on the 14<sup>th</sup> October for unsatisfactory conduct, in which she tendered her resignation on account of ill-health.

Miss Phillips is 32 years of age, she has completed 13 years' service and her salary is £215 a year.

A Medical Certificate has been received from a Specialist to the effect that Miss Phillips' conduct was due to ill-health and that in his opinion she is not now and will not again be fit for active service: this opinion is confirmed by the Bank Medical Officer.

In the circumstances the Committee agreed to recommend to the Court that Miss Phillips' suspension be removed and that she be paid her full salary for the period of her suspension; also that her resignation be accepted and that she be granted a Pension equal to full salary to the 30<sup>th</sup> November and thereafter of £55.18/- a year during pleasure and in accordance with the scale.

With reference to the last Minutes the Committee agreed that, as a matter of convenience, an announcement might be made to the Press of certain of the Appointments which were made last week, and the form of the Announcement was approved.

With

2<sup>nd</sup> November  
1932  
~~L263~~  
CT 163

With reference to Minutes of the 28<sup>th</sup> September last, the Committee approved a Report by Lord Hyndley, Mr. Bruce Gardner and the Chief Cashier on the question of the mortgage loans made by the Bank to the Llanelli Harbour Trust and in particular as to the request recently made that the Bank should grant a moratorium on principal or interest for a period of years.

The Governor acquainted the Committee of the following matters —

(1) With reference to Minutes of the 12<sup>th</sup> October as to the question of sending representatives to advise the Banco de la Nacion in the Argentine, no invitation has yet been received and therefore no steps have been taken in the matter. He proposes, however, to ask Professor Clay to hold himself in readiness <sup>to proceed</sup> to Buenos Aires and not to commit himself elsewhere in the meantime.

~~L260~~  
CT 70

(2) He had extended an invitation to Mr. H. K. M. Kindersley to come to the Bank as an Executive Director but Mr Kindersley has now written to decline the invitation.

Wednesday, the 9<sup>th</sup> November, 1932.

Present:—

The Governor.  
Mr. Lubbock.  
Mr. Grenfell.  
Mr. Gladstone.  
Sir Andrew Duncan.  
Mr. Lacock  
Mr. Hambro  
attended by invitation.

The proceedings of the last Committee were read and approved.

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 a request for a donation to a scheme set up by the Society of Friends for providing allotments for the unemployed and it was agreed to recommend to the Court that a donation of £250 be made.

The Governor acquainted the Committee of the following matters—

(1) Owing to the absence of Sir Basil Blackett he has written to ask Mr. Neville for permission to propose Mr. Kershaw as his substitute on the London Advisory Committee of the Imperial Bank of India in the terms of No 6 of the suggestions of the 19<sup>th</sup> March, 1923.

(2) He has requested Messrs. Selwitts to examine, on lines laid down by Sir Herbert Lawrence, the position of the Anglo International Bank, the London Merchant Bank and Messrs J. Hutton & Co., with a view to a possible amalgamation. This examination is being made without the knowledge of the Banks concerned.

(3) With

~~1867~~  
CT 32.

~~1875~~  
CT. 123.  
CT 134  
CT III

9<sup>th</sup> November,  
1932

(3) With reference to the last Minutes he laid before the Committee a letter which he had yesterday written to the Argentine Ambassador on the subject of the proposed visit of Sir Otto Niemeyer to the Banco de la Nacion. The Argentine Ambassador has been asked to impress upon the Banco de la Nacion the need for secrecy in connection with this visit.

(4) On the 7<sup>th</sup> November the Chancellor had a long conversation with Mr Bruce Gardner and told him that he would consult him whenever he wanted advice on the subject of Iron and Steel and that when Mr Bruce Gardner had information or advice on this subject to impart he was free to come to him direct: the Chancellor added that this arrangement should also apply to Mr Bruce Gardner's relations with Sir Horace Wilson.

+ 33.  
CT 122.

(5) With reference to Minutes of the 25<sup>th</sup> November 1931 and earlier as to the arrangements which had been made to support the Anglo-South American Bank, he reminded the Committee that the assistance took two forms, part being by way of a subscription to Chinit and part by way of a deposit with the Anglo-South American Bank for the purpose of maintaining liquidity. In respect of a certain portion of the Bank's interest the Chancellor secretly gave the Bank a guarantee from the Government, with a promise to implement this if necessary by a Bill. It would be well to avoid a Bill, if possible, but something must shortly be done and he asked the Committee to give the matter their consideration.

+ 77.  
CT 115.

(6) On the 7<sup>th</sup> November he received from the Treasury a copy of a letter which had been written by them to Hambro's Bank and to Filangers

9<sup>th</sup> November,  
1932.

Erlangers to the effect that in the recent issue of Olympia Ltd. Debenture Stock, they had acted contrary to the spirit of the Chancellor's request of the 1<sup>st</sup> October. He has told the Chairmen of these two Houses that as they had disregarded the spirit of the Chancellor's request it must follow that they endangered the goodwill of the Bank of England towards them.

Wednesday, the 16<sup>th</sup> November, 1932.

Present:—

The Governor,  
Mr. Grenfell,  
Mr. Gladstone,  
Sir Josiah Stamp  
Sir Andrew Duncan,  
Mr. Peacock,  
Mr. Hambro  
attended by  
invitation

The proceedings of the last Committee were read and approved.

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—

Weekly Reports on Central Banks.  
Fortnightly Letter to Dominion Central Banks.  
Monthly Report of the Committee on Advances  
and Discounts.

It was agreed to recommend to the Court of Directors that Frederick Nichols, a Superintendent in the Consols Office, who is 60 years of age and will complete 38 years' service on the 7<sup>th</sup> February next be granted a pension of £429 + 9<sup>2</sup>/<sub>4</sub> + 4<sup>1</sup>/<sub>4</sub> a year during pleasure and in accordance with the scale from the 7<sup>th</sup> February next inclusive.

The

16<sup>th</sup> November  
1932

The Committee had before them a Minute of the Staff Committee recommending appointments. As no Member of the Committee who had attended the Meeting of the Staff Committee was present it was agreed that consideration of recommendations relating to the Accountants, Cashier's and Overseas & Foreign Departments be deferred until next week; the other proposals were approved and referred to the Court.

1878  
CT 100

The Governor acquainted the Committee that no matters of interest were discussed at the November Meeting of the Board of the Bank for International Settlements.

There was in private much discussion, on the whole somewhat unfavourable, of the work and prospects of the Preparatory Committees for the forthcoming Economic Conference.

Wednesday, the 23<sup>rd</sup> November, 1932.

Present:—

The Governor.  
Mr. Kibbick.  
Mr. Greenfell.  
Mr. Shaw.  
Mr. Gladstone.  
Sir Josiah Stamp.  
Sir Andrew Duncan.  
Mr. Pender.  
Mr. Hambro attended  
by invitation

The proceedings of the last Committee were read and approved.

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 -  
Weekly Reports on Central Banks.  
Draft Minutes of the November Meeting of the Board of the Bank for International Settlements.

With reference to the last Minutes, proposals of the Staff Committee for appointments in the Accountants, Cashiers and Overseas & Foreign Departments which were submitted at the previous Meeting were discussed and it was agreed to recommend them for acceptance by the Court.

The Committee had before them a letter from Mr. F. J. R. Rodd in which he tendered his resignation from the service of the Bank as from the 31<sup>st</sup> December and asked that he might be granted leave of absence as soon as possible.

It was agreed to recommend to the Court of Directors that Mr. Rodd's resignation be accepted as from that date, that he be granted leave of absence as from the 1<sup>st</sup> December and that he be invited to continue his work in connection with the Preparatory Committee of the World Economic Conference.

The

23<sup>rd</sup> November,  
1932.

~~L.D. 76~~

CT 44

The Governor acquainted the Committee of the following matters -

(1) In accordance with requests made by Mr Crane of the Federal Reserve Bank during a recent visit to London, the agreements of 1917 and 1931 with the Federal Reserve Bank of New York, which are now inoperative, have been cancelled and he laid before the Committee two letters which he had recently written to Mr Harrison on this subject.

~~L.D. 77~~  
CT 115

(2) With reference to Minutes of the 28<sup>th</sup> September, he asked the Committee to consider further as to the future policy to be pursued by the Government or the City in respect of the Loan Market. Legislation is generally deemed to be most undesirable although, if there must be legislation, it might be better now than later. As a result of discussion and thought, he put forward the idea that a possible solution - if found practicable - would be the formation of a Committee composed of the Governor of the Bank, the Chairman of the Stock Exchange and the Chairman of the British Bankers Association with power to nominate alternates. Such a Committee should by general or co-operative consent of the City have the power to veto without notice, but should as far as possible refrain from interference unless there should be infringement of some broad principle.

He is strengthened in the belief that some such machinery will sooner or later be needed by the fact that the balance of payments for this year seems little less adverse to this Country than last year.

~~L.D. 78~~  
CT 65

(3) The East African Currency Board is being reconstituted and he has arranged with the Colonial Office that provided the new Chairman

is

23<sup>rd</sup> November  
1932

is a man of standing he will allow Mr. R. W. Hershaw to become a Member of the Board, if invited to do so.

(4) He outlined the position in general and with regard to the future Credit of India in London in connection with the proposed transfer of financial control from Whitehall to Selai.

Friday, the 25<sup>th</sup> November, 1932.

Present:—

The Governor.  
Mr. Lubbock.  
Mr. Greiffell.  
Mr. Gladstone.  
Sir Francis Stamp.  
Mr. Peacock.

Mr Hambro  
also attended.

L27  
CT 44

The Governor informed the Meeting that a difficult situation had arisen regarding the payment due to the United States of America on account of War Debt on the 15<sup>th</sup> December.

America had replied to our Note by a demand for payment while separately leaving the door open to further suggestions from us.

The Governor's attitude had been—

- (a) We should pay at all costs in whole.
- (b) If we default to the United States Government, the world would default to their respective debtors, commencing with Australia, Germany and the Argentine.
- (c) The claim that there was a difference between commercial or Bonded and Governmental debts would mean nothing to the uninstructed.
- (d) The debt was a debt <sup>of</sup> honour.
- (e) He was of the opinion that the exchange would improve by paying, and depreciate by defaulting.
- (f) He was willing to release gold from Issue for the purpose of paying.

The Committee agreed with the line taken and certain members stated that in their opinion the City favoured payment: the general public favoured default.

Wednesday, the 30<sup>th</sup> November, 1932.

Present:—

The Governor  
Mr. Lubbock  
Mr. Grenfell  
Mr. Shaw  
Mr. Gladstone

Sir John Stamp

Sir Andrew Duncan

Mr. Peacock

Mr Hambro

attended by  
invitation

The proceedings of the Meetings of the  
23<sup>rd</sup> and 25<sup>th</sup> November were read and  
approved.

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  
and the Fortnightly Letter to Dominion Central  
Banks were submitted.

A Report of the Committee appointed to  
consider the Securities of certain Funds was  
submitted and referred to the Court.

It was agreed to recommend to the  
Court that Alice Partridge, an Auxiliary  
Woman Clerk, who will attain the age of 50  
years on the 8<sup>th</sup> December, be granted a pension  
of £69 a year during pleasure and according  
to the scale from the 9<sup>th</sup> December inclusive.

~~10563~~  
CT. 75

With reference to Minutes of the 23<sup>rd</sup>  
December last approving arrangements for  
increased circulation of the Monthly  
Summary of Statistics, the Committee discussed  
a proposal for the addition of an explanatory  
memorandum to be circulated with those  
copies of the summary which are distributed  
internally, and agreed that any such  
addition was inadvisable.

The Governor

30<sup>th</sup> November,  
1932.

~~L.B. 77~~  
CT 118.01

The Governor acquainted the Committee of the following matters -

~~L.B. 77~~  
CT 45

(1) He laid before the Committee a memorandum setting out the British objectives at the forthcoming Economic Conference which he proposes to use provisionally - as a basis of discussion with the Treasury - subject to any comments which may be made by Members of the Committee, and he hopes that as a result it may be possible to prepare an agreed document for submission to the Chancellor.

(2) The Central Bank credit to the Reichsbank matures on the 5<sup>th</sup> December and he has agreed that the Bank of England, together with the other participants shall renew their share of the credit for a further period of three months on the existing terms after repayment of a proportion of the principal calculated on the basis of the agreed formula. There was objection among the participants to any reduction of the rate of interest below 5% so long at least as the present formula, which governs the amount of repayment, remains in force.

~~L.B. 78~~  
CT 100.01  
CT 100.03

(3) He reminded them that on the 12<sup>th</sup> October he had told them of Mr. McGarrath's probable retirement in the Spring of next year from the post of President of the Bank for International Settlements. He has recently learnt that this is Mr. McGarrath's definite intention.

A favourable opportunity thus appeared of transferring the Presidency of that Bank from America to Europe. In his view France is the only country competent at the present

30<sup>th</sup> November  
1932

present time to supply the new President and he submitted his opinion to M. Moret, at the same time suggesting, that M. Monnet might be a suitable person for the post. He had hoped that M. Moret would agree with him and that together they could put forward a joint proposal at the proper moment in Basle. He arranged that Mr. Rodd should discuss the matter further with M. Moret in Paris last week.

M. Moret expressed his appreciation of the Governor's attitude and added that nothing would give him greater pleasure than to put forward jointly with the Governor a proposal in regard to the Presidency of the Bank for International Settlements. He regretted from his experience, that he was unable to concur in M. Monnet's candidature, although he was personally very well disposed towards M. Monnet he did not consider him suitable to assume the Presidency of an international banking institution. M. Moret was unable to put forward any alternative name and expressed the view that no other course seemed to be open than to invite Mr. Fraser to act as President in Mr. McFarrah's room.

This is disappointing, but in the circumstances there appears to be no alternative: he feels, however, that the Bank for International Settlements should not be left entirely without a Banker at the head of affairs and he is interested to learn from Mr. Rodd that M. Moret shares his lack of confidence in M. Quesnay as General Manager. He trusts that he will be able to secure M. Moret's agreement as to the advisability, if opportunity offers, of replacing M. Quesnay as General Manager by an experienced banker such as, say, Mr. Porters and he intends to take this matter up with M. Moret as soon as possible.

(in) With

30<sup>th</sup> November,

1932

~~LC 77~~

CT 44

CT 90

(4) With reference to the Minutes of the 25<sup>th</sup> November as to the payment due to the United States of America on the 15<sup>th</sup> December on account of War Debt he has several times mentioned the subject to the Chairman of the Committee of Clearing Banks and pointed out that as it is more political than financial it is difficult for him to explain the position adequately, and that it will therefore be well for the Banks, should they wish to state their views, to seek an interview with the Chancellor. No questions have so far been raised by any Bank and he has accordingly requested the Chairman to bring the question forward at the next Meeting of the Committee of Clearing Banks.

This raises again the question of the relations between the Governor of the Bank of England and the Chairmen of the individual Banks. He is now, as always, of the opinion that on any general subject the Governor of the Bank should not approach the Chairman of any individual Bank but should always consult the Chairman of the Committee of Clearing Banks.

~~LC 55~~

CT 189

The Committee were informed that Messrs Stewart and Lloyds had been for some time discussing with the Bankers' Industrial Development Company a scheme for the production of basic Bessemer Steel and that as this represented the manufacture in this country of a product which has hitherto been entirely imported they had been encouraged to proceed. Every possible test and examination had been made, with satisfactory results, and although the final agreements were not yet signed arrangements were practically completed for the provision of the necessary funds by way of

of

30<sup>th</sup> November 1932 of loan as and when required, as under -

Lloyds Bank	£ 1,000,000
Union Bank of Scotland	1,500,000
Prudential Assurance Co.	250,000
Bankers' Industrial Development Co.	550,000
	<u>£ 3,300,000</u>

repayment to be made at some future date out of the proceeds of an issue of Debenture Stock or Shares.

Thursday, the 1<sup>st</sup> December, 1932.

Present:-

The Governor.  
Mr. Lubbock.  
Mr. Grenfell.  
Mr. Gladstone.  
Sir John's Stamp  
Mr. Peacock.  
Mr. Hambro  
attended by  
invitation  
The Chief Cashier  
also attended.

The Governor acquainted the Committee that discussions had taken place with the Treasury as to the manner in which the payment due on the 15<sup>th</sup> instant in respect of the American Debt could be provided and laid before the Committee copies of a Memorandum on the subject by the Chief Cashier.

After discussion the Committee agreed -

1. (a) That this payment was a normal Banking transaction and should be treated as such.  
(b) That there should be no increase for this purpose in the Fiduciary Issue.
2. That in view of the critical position involving sacrifices from all, the Bank should offer to lay down the necessary gold free in New York at the disposal of the Treasury.

+D7.  
CT.44

Wednesday, the 7<sup>th</sup> December, 1932.

Present:—

The Governor.  
The Deputy Governor.  
Mr. Lubbock,  
Mr. Grenfell.  
Mr. Gladstone.  
Sir Josiah Stamp.  
Sir Andrew Duncan.  
Mr. Pencock.

Mr. Hambro attended  
by invitation.

The proceedings of the Meetings of the 30<sup>th</sup> November and the 1<sup>st</sup> December were read and approved.

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.

The Weekly Reports on Central Banks were submitted.

A Minute of the Committee on St. Luke's recommending appointments and the Annual Report of that Committee on the Administrative Staff at St. Luke's Printing Works were submitted and referred to the Court.

It was agreed that an Allowance of £12 a year be granted during pleasure and in accordance with the scale to Mrs. \_\_\_\_\_, widow of \_\_\_\_\_ a Pensioner, and formerly the 2<sup>nd</sup> Gate Porter.

It was agreed to recommend to the Court that Pensions be granted to the two following persons who have tendered their resignations on account of ill-health—

E. A. Eldred, a Deputy Principal in the Cashier's Department, age 57 years, service 36 years, salary £900 a year, a Pension equal to full salary for one year from the 9<sup>th</sup> December inclusive and thereafter of £490 + 17<sup>s</sup> 4<sup>d</sup> a year during pleasure and in accordance with the scale.

A. W. Thwaites

7<sup>th</sup> December,  
1932

A. M. Thurnham, a Woman Clerk, age 37 years,  
service 16 years, Salary £225 a year,  
£72 a year during pleasure and in  
accordance with the scale from the  
9<sup>th</sup> December enclosure.

The Governor acquainted the Committee  
of the following matters -

(1) It has come to his knowledge that Dr Faber, the  
Consulting Engineer for the Rebuilding of the Bank  
has been exhibiting the generating plant which has  
been installed for the new Building, to various  
persons responsible for the erection of new Buildings  
in London and elsewhere, and has been advising  
these persons to instal similar private lighting  
and heating plants in opposition to the policy of  
bulk supply by the Central Electricity Board. He  
considers this method of propaganda to be  
undesirable and he laid before the Committee a  
letter to Dr Faber protesting against this procedure  
and requesting an explanation.

L212  
CT 164

(2) After lengthy negotiation the following persons  
have been appointed to the Board of the Oceanic Steam  
Navigation Company under the plan of reconstruction-

Lord Esmond, by the Treasury and the Government  
of Northern Ireland.

Sir Arthur Maxwell, by the Trustees for the Debenture  
Stockholders.

Mr. Charlton, by the Company's Bankers.

Mr. Cauty, by the Bank of Ireland.

L275  
CT 123  
CT 134  
CT 111

(3) With reference to Minutes of the 9<sup>th</sup> November  
as to an examination of the affairs of the  
Anglo-International Bank, the London Merchant  
Bank, and Messrs F. Huth & Co, the Committee had  
before them a Memorandum by Messrs Deloitte  
showing,

7<sup>th</sup> December, 1932 showing the present position and making certain suggestions for a contribution by the Bank in order to provide increased liquidity. He explained to the Committee the circumstances which have produced the existing state of affairs, its possibilities and dangers, and after discussion decision was deferred for further consideration.

Wednesday, the 14<sup>th</sup> December, 1932

Present:—

The Governor

The Deputy Governor

Mr. Lambrock

Sir Jovials Stamp

Sir Andrew Duncan

Mr. Placocks

Mr. Hambro

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

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

A Memorandum by the Chief Cashier recommending certain alterations in the persons to be authorised to undertake the duties of "Official-in-Charge" consequent on the recent changes in the internal organisation of the Bank was submitted and approved.

L 540  
CT 60.12.

The

14<sup>th</sup> December,  
1932.

The Governor acquainted the Committee of the following matters -

(1) He has appointed Lord Glendyne of Messrs R. Nisison & Co., to serve as a Solicitor in the room of Mr G. D. Rowe who has resigned the Office.

L 972  
CT 106

(2) He has been asked to advance a large sum to the Bank against gold held by them in Paris on behalf of one of their clients. If viewed only as a straight banking transaction on ordinary lines the proposal would not be acceptable to the Bank, but in his view it is politically important that the Bank should appear to enjoy the same facilities in London as in Paris where for some time they have been granted an advance against this gold. For this reason he is considering whether the business could be put into such a form as would make it acceptable.

L 974  
CT 44

(3) With reference to Minutes of the 1<sup>st</sup> December as to the method of payment of the amount due on the 15<sup>th</sup> instant on account of the American Debt, no definite plan has yet been agreed, but it is certain that the arrangements will be on the lines then indicated.

(4) He has just returned from Basle where much of the time was occupied in discussions as to the work of the Preparatory Committee of the World Economic Conference.

L 110  
CT 34

The only matter of interest before the Board of the Bank for International Settlements was consideration of a proposal, of which they had learnt informally, that the National Bank of Greece, which is a purely commercial institution, should take over the business of the Central Bank of Greece and leave to that Bank only the duty of printing and supplying notes. Such an arrangement, which would,

14<sup>th</sup> December,  
1932.

would put into the hands of the National Bank the power of regulating credit, would create a very serious position, but nothing can be done in the matter at present.

~~1279~~  
SEC. 6

(5) It will be necessary to find a successor to Mr Rodd as an Adviser to the Governors, chiefly on Latin affairs, and while at Basle he interviewed Mr H. J. Bruce, who is at present Adviser to the National Bank of Hungary. Mr Bruce was formerly in the Diplomatic Service, is a good linguist and is, in his opinion, the most suitable and available man for the position.

(6) In order to assist the India Office he has invited Sir Henry Goschen, Lord Glendyne and Mr Kidbury to meet, with him, at the Bank to-morrow four Indian representatives from the Round Table Conference.

~~1275~~  
CT. 123

(7) With reference to the last Minutes as to the Anglo-International Bank, the London Merchant Bank and Messrs. F. Huth & Co, he has had a further discussion with Mr. Read of Selowites. Mr. Read at his suggestion has now included the London & Eastern Trade Bank and Messrs. A. Ruffer & Co, in a further statement, in which depreciation has been allowed on the following basis -

25% in the case of all assets in Germany.

75% in the case of other Central and Eastern European Countries.

CT. 50.06

If this basis, which is probably not excessive, is accepted, the Capital and Reserves of these Houses would be reduced from, say, £4,500,000, to under £1,000,000, while their Acceptances amount to about £8,000,000. He reminded the Committee of the Bank's existing commitment in respect of Chinit and again emphasised the dangers  
of the

14<sup>th</sup> December, 1932. of the situation; he also pointed out the probability of the existence of further weak positions for which provision at least equal to that now proposed might have to be made at some later date.

After discussion, he informed the Committee that he proposed to examine the situation further with Messrs. Seligson on the understanding that the Committee, whilst reserving final decision, were in general agreement with him that, provided the necessary arrangements could be made, the Bank should consider the possibility of allocating the sums necessary to clear up the two positions now under consideration.

Wednesday, the 21<sup>st</sup> December, 1932.

Present:-

The Deputy Governor.

Mr. Kibbocht.

Mr. Grenfell.

Mr. Gladstone.

Lieut. Stamp.

Lieut. Andrew Duncan.

Mr. Seaver.

Mr. Hambro

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 -  
Weekly Reports on Central Banks.

Monthly Report of the Committee on Advances and Discounts.  
Draft Minutes of the December Meeting of the Board of the Bank for International Settlements.

The Deputy Governor acquainted the Committee of the following matters -

(1) On

21<sup>st</sup> December.  
1932.

~~1095~~  
CT 68

(1) On the 17<sup>th</sup> instant he had a long interview with Sir Alexander Wright on the question of the disposal of the Western Branch. Under the terms of the agreement entered into between the Bank and the Royal Bank of Scotland two years ago the option to the Royal Bank, to purchase the premises at the value placed upon them by Messrs. St. Quintin, Son & Stanley would have lapsed in October last. In view, however, of delays which occurred in connection with the valuation of the goodwill and other matters the option was extended until the 20<sup>th</sup> January 1933. The valuations contemplated in the agreement are now complete and if the premises were purchased by the Royal Bank, the total net amount payable by them to cover premises, furniture, fixtures and goodwill, less the amount payable to the Royal Bank by the Bank of England on account of the accrued pension liabilities in respect of those members of the Bank Staff taken over by the Royal Bank, would be £293,750.

The valuation placed upon the premises was £200,000, a figure which the Royal Bank are advised is very excessive. It appears from a statement made to the Bank by Mr. Stanley that in arriving at this figure some allowance was made by him for the goodwill value of the building notwithstanding the fact that goodwill was to be the subject of a separate valuation. Having regard to this fact he had felt justified in informing Sir Alexander Wright that he would recommend the Bank to accept a sum of £275,000 in final settlement of the whole matter and this figure is now under consideration by the Royal Bank of Scotland. Sir Alexander was told that should the Royal Bank decide not to purchase the premises the Bank might be prepared to lease them to the Royal Bank at a rent of £9,000 per annum, the lease to be

terminable

21<sup>st</sup> December, 1932. Terminable by either party at any Christmas or six months' previous notice.

H52

CT85

(2) The Committee of the Stock Exchange have received a Memorial signed by a large number of leading firms of the House asking that the Exchange may be closed on Saturdays on the ground that insufficient business is transacted on that day to establish a real market, with the result that dealers more particularly in the gilt-edged market are in the habit, as a measure of precaution, of quoting very wide prices which are prejudicial to the interests both of the Government and of investors.

Wednesday, the 28<sup>th</sup> December, 1932.

Present:-

The Deputy Governor  
Mr. Laroock,  
Mr. Greenfell,  
Mr. Gladstone,  
Mr. Andrew Duncan,  
Mr. Placock.

Mr. Hambro  
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 Fortnightly Letter to Dominion Central Banks was submitted.

H52

Estab.

With reference to Minutes of the 31<sup>st</sup> August last, it was agreed that a compassionate Allowance of 10/- a week, subject to annual review, be granted to Mrs widow of a Bank Note Stamper, who died on the 29<sup>th</sup> July last as the result of an accident while carrying out his duties at the Bank.

A letter

28<sup>th</sup> December,  
1932.

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

It was agreed to recommend to the Court -

~~100~~  
CT84 101

(1) That application be made to the Lords Commissioners of His Majesty's Treasury for the increase of £15,000,000 in the Fiduciary Issue from £260,000,000 to £275,000,000 to be continued until the 31<sup>st</sup> March next.

(2) That H. J. Barnett, a Bank Note Stamper, who will attain the age of 65 years on the 31<sup>st</sup> instant, be granted a pension of £156 a year, during pleasure and in accordance with the scale, from the 1<sup>st</sup> January next inclusive.

(3) That G. L. F. Bolton, aged 32, now in the employ of Messrs. Herbert Wagg & Co., be appointed on the following terms:-

Whole-time employment for a period of five years from the 16<sup>th</sup> January 1933 subject to three months' notice in writing on either side.

To be employed primarily on work in connection with foreign exchange.

Salary: £1200 a year; future terms to be considered at the expiration of the second year.

Income and other Taxes to be borne by him.

No pension, but the Bank to pay the proportion to me by Mr Bolton's present employers of an assurance premium to secure at age 60 a pension equal approximately to two-thirds of his present salary with them of £700 a year.

Wednesday, the 4<sup>th</sup> January, 1933.

Present:-

The Deputy Governor.

Mr. Lubbock.

Mr. Grenfell.

Mr. Gladstone.

Mr. Peacock.

Mr. Hambro  
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.

It was agreed to recommend to the Court that T. G. Taylor, an Auxiliary Clerk, aged 60 years, service 17 years, who has been absent on account of illness for 12 months be retired from the Service as from to-morrow and that he be granted as from the 6<sup>th</sup> January inclusive a pension of £153 a year during pleasure and in accordance with the scale.

With reference to the departure from the Gold Standard by South Africa the Deputy Governor acquainted the Committee of the position so far as at present known here and of the exchange of cables which has taken place with the Governor of the South African Reserve Bank.

Wednesday, the 11<sup>th</sup> January 1933

Present:—

The Governor.  
The Deputy Governor.  
Mr. Dubock.  
Mr. Grenfell.  
Mr. Gladstone.  
Sir Josiah Stamp.  
Mr. Peacock.

Mr Hambro  
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 and the Fortnightly Letter to Dominion Central Banks were submitted.

It was agreed to recommend to the Court—

(1) That John Reynolds, a Mechanic at St. Luke's Printing Works, who will attain the age of 70 years on the 5<sup>th</sup> February next, be granted a pension of £166: 8/- a year during pleasure and in accordance with the scale from the 6<sup>th</sup> February next inclusive.

(2) That Mr. Cameron Cobbold, Manager in Milan of the Excess Insurance Company, aged 32, be appointed to the Bank on the following terms:—

That he be acting Deputy to Mr. Siepmann and shall, as an Adviser, have direct access to the Governors.

That the appointment be subject to three months' notice on either side.

That the appointment does not become permanent or pensionable until the position has been reviewed, such review to take place within three years

That the

11<sup>th</sup> January,  
1933.

That the Salary be £3000 a year with a Personal Salary of £750 a year until the position has been reviewed, and thereafter as arranged.

Income and other Taxes to be borne by him.

The Governor acquainted the Committee of the following matters -

~~1874~~  
CT. 118.01

(1) He was disturbed to learn a few days ago that Mr. R. G. Hawtrey of the Treasury had been appointed as an additional Adviser to the English representatives on the Preparatory Committee for the World Economic Conference and he read a letter which he had written to Mr. Rodd on the subject. Since then, however, the position has been made easier by the further appointment of Sir Cecil Kisch, who has gone to Geneva to represent India.

CT. 111 ~~1650~~  
CT. 38 ~~168~~

(2) With reference to Minutes of the 12<sup>th</sup> October last and earlier the Bank have agreed to the renewal for a further three months of their Advance to the Austrian Government which matures on the 16<sup>th</sup> instant and of their participation in the Central Bank's Credits to the National Bank of Austria and the National Bank of Hungary which mature on the 16<sup>th</sup> and 18<sup>th</sup> instant respectively.

CT. 122 ~~1633~~  
CT. 50.06

(3) With reference to Minutes of the 9<sup>th</sup> November last and earlier as to the liability in respect of Chile nit, he was of opinion that the Government guarantee must continue but that it would be inadvisable at present to make any request for the guarantee to be implemented by a Bill. Until such time as a definite claim might be considered necessary he proposed at the end of each half-year automatically

11<sup>th</sup> January,  
1933.

automatically to place a certain sum to Contingencies Account in order to be in a position, if necessary, to reduce this contingent liability.

~~1480.~~

CT 70  
SEC. 2.

(4) It is the duty of the Bank, to support on all occasions the policy of the Government and in view of the Chancellor's repeatedly expressed intention to return to the Gold Standard when opportunity offers he was of opinion that Sir Basil Blackett had placed the Bank in an embarrassing position by the publication, as a Director of the Bank, of his recent book, "Planned Money". After discussion decision was deferred and the Secretary was instructed to circulate a Memorandum which had been prepared at his request by a Member of the Committee.

~~1483.~~

Office File  
P58

(5) He has learned from the Executors, with regret, that Lord Cullen has left practically no Estate and that Lady Cullen will have insufficient means to support her. He understands that Messrs. Antony Gibbs & Sons are proposing to make some provision and as in the opinion of Counsel the Bank have the power to assist he proposes in due course to ask the Court to agree to make an allowance to Lady Cullen of an amount and under conditions to be agreed later.

(6) Mr. Hambro's term with the Bank, as an Executive Director will shortly expire and the selection of a successor is becoming urgent. As the result of wide search Mr. Edward Holland-Martin appears on general grounds to be the most suitable Candidate and he proposes to have a talk with him at an early date.

(7) In

11<sup>th</sup> January  
1933  
+ 1879  
SEC 6

(7) In succession to Mr. Rodd he had hoped to secure the services of Mr. H. J. Bruce, who is at present Adviser to the National Bank of Hungary, but in view of the position obtaining there, doubts have been raised as to whether the Bank will be justified in inviting him to give up his position at the present time. Mr. Bruce has accordingly agreed to return to Buda Pesth and after examining the question there in all its bearings to state whether he considers the position to be such as to render a change inadvisable at the present time.

Wednesday, the 18<sup>th</sup> January, 1933.

Present :-

The Governor,

The Deputy

Governor,

Mr. Lubbock,

Mr. Greenfell,

Mr. Gladstone,

Sir Josiah Stamp

Sir Andrew Duncan

Mr. Pearce,

Mr. Hambro

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

The following were submitted and referred to the Court -

- (1) Minute of the Staff Committee recommending appointments &c.
- (2) Report of the Staff Committee on payments made &c.
- (3) Proposals for dates of General Courts for a Dividend and for the Election of Governors and Directors.

It was

18<sup>th</sup> January,  
1933

It was agreed to recommend to the Court-

(1) That Mary Munro, an Auxiliary Woman Clerk, who will attain the age of 50 years on the 20<sup>th</sup> January, be granted a pension of £10 a year during pleasure and according to the scale from the 21<sup>st</sup> January inclusive.

(2) That the following donations be made -

To the National Council of Social Service: £1050.

To the London School of Hygiene and  
Tropical Medicine: £105  
a year for 5 years.

+ 87.

CT 56.

With reference to Minutes of the 26<sup>th</sup> October last and earlier the Committee approved a Report from the Committee on St. duties to the effect that with regard to the capital basis governing the costing of the charges made by St. duke's Printing Works to the Treasury no change is desirable or necessary in the valuation of the fixed assets.

+ 80.

CT 70

SEC 2

With reference to the last Minutes, the Committee agreed after further discussions that no definite action should be taken towards Sir Basil Blackett in regard to his book "Planned Money", but at the same time they considered that in any discussion of the matter with him by the Governor it would be desirable to point out, inter alia :-

(1) That the Bank, as the Government's Banker, is committed to the Gold Standard as the Government's oft declared policy;

(2) That there is, therefore, a risk of great embarrassment abroad as well as at home to the Bank and the Governors in the lack of unity shown to the world by the publication of a book such as this by a Member of the Court.

The Committee

18<sup>th</sup> January,

1933

+540

CT 20

The Committee were acquainted of the following matters -

(1) No objection has been raised by the Bank to a request by the for a cash advance in this country of £1,000,000 for 3 months, as a cushion for their exchange, with one option of renewal, and repayable if necessary in gold.

+540

CT 100

(2) The Monthly Meeting of the Board of the Bank for International Settlements was quite formal -

Much was said in private as to the position in Eastern Europe particularly in Bulgaria and Hungary, which in both countries is serious when compared with the possibility of recovery in Austria, due in large measure to considerable increase in tourist traffic.

CT 100.01

The question of Mr. McGarrath's successor was also discussed privately, but as Mr. McGarrath had only just returned from America and Mr. Fraser was at Geneva the matter was left over until the next meeting in February. In this connection a letter from Mr. Rodd to M. Moret, making suggestions for an agreed course of action by M. Moret and the Governor, was laid before the Committee.

Wednesday, the 25<sup>th</sup> January, 1932.

Present:-

The Governor.

Mr. Lubbock.

Mr. Grenfell.

Mr. Gladstone.

Mr. Foxall & Stamp.

Mr. Peacock.

Mr. Hambro

attended by

invitation.

The proceedings of the last Committee were read and approved.

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:-

Weekly Reports on Central Banks.

Fortnightly Letter to Dominion Central Banks.

Draft Minutes of the January Meeting of the Board of the Bank for International Settlements.

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

It was agreed to recommend to the Court that Mr. Edward Holland-Martin be invited to allow his name to be submitted to the Proprietors in April next for Election to the Court to fill the vacancy caused by the death of Lord Cullen of Ashbourne.

In this connection it was further agreed -

(1) That the Governor should inform the Court to-morrow that if Mr. Holland-Martin is chosen as a Director it is the intention of this Committee to recommend him forthwith to the Court as an Executive Director in the place of Mr. Hambro.

(2) That, with this object in view, the Governor should ask the Court to approve this proposal in principle forthwith so that negotiations to this end may be carried on with Mr. Holland-Martin without delay.

The

CT 70-01

25<sup>th</sup> January.  
1933.

The Governor acquainted the Committee of the following matters -

CT 171

(1) He had informed them on the 28<sup>th</sup> September last that Sir James Cooper's engagement with The Securities Management Trust would terminate on the 28<sup>th</sup> February next and in order that the Bank may have a call on his services he proposes to offer him a retaining fee of £500 a year from that date. Sir James Cooper is at present a Director of certain concerns as the nominee of the Bank and he hopes that it may be possible not only to arrange for him to retain these Directorships, with their fees, but also to assist him to obtain others.

CT 111. ~~1831~~

CT 134 ~~1875~~

(2) With reference to Minutes of the 14<sup>th</sup> December last and earlier as to a possible amalgamation of certain Houses, to include the London & Eastern Trade Bank, in which the Securities Trust has a large interest, he learns that the position of this Bank is now such as to offer practically no alternative to an orderly liquidation.

CT 113 ~~1876~~

(3) He has long, had in mind the necessity for some measure of rationalisation of the Discount Market. The question was discussed by the Committee on Advances and Discounts in June 1931, but in view of the impending crisis it was then impossible to take any action. Now, however, with easy rates, with money and Treasury Bills plentiful and with comparatively few Commercial Bills the time appears to be favourable and he proposes to inform the smaller firms that after a future date the Bank will no longer grant them the most favourable rates for accommodation.

~~1877~~  
CT 115

(4) With reference to Minutes of the 23<sup>rd</sup> November last as to the formation of a Committee composed of the Governor of the Bank, the Chairman of the

Stewart

25<sup>th</sup> January,  
1933.

Stock Exchange and the Chairman of the British Bankers Association to exercise some control of the Loan Market he now learns that under their present constitution the Stock Exchange are unable to assist in regulating new Issues. If any scheme of this particular nature is to succeed it is essential for the Stock Exchange to be a consenting and supporting party; without their co-operation it does not appear possible to proceed and he will therefore feel obliged to abandon the idea.

+ 498.  
CT 78

(5) He is pleased to report that Messrs J. A. Scrimgeour have now agreed to his proposal, which he reported to the Committee on the 26<sup>th</sup> November 1930, to keep their underwriting activities within certain defined limits.

+ 497.  
CT 118-01

(6) He has arranged for the Bank to pay Mr. Rodd's expenses in connection with his second visit to Geneva as part of the Treasury Delegation to the Preparatory Committee of the World Economic Conference as had been done previously while Mr. Rodd was still in the service of the Bank.

Wednesday, the 1<sup>st</sup> February, 1933.

Present:—

The Governor,  
The Deputy Governor,

Mr. Hutcheon,

Mr. Shaw,

Mr. Gladstone,

Miss Josiah Stamp

Mr. Andrew Duncan

Mr. Peacock,

Mr. Hambro

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.

The Governor acquainted the Committee of the following matters—

~~1079~~  
SEC. 6

(1) With reference to Minutes of the 11<sup>th</sup> January and earlier Mr. H. J. Bruce has written to the effect that he cannot in fairness leave Ruda Pestu now and he has informed Mr. Bruce in reply that in these circumstances the Bank must endeavour to seek someone else in his place.

~~108~~  
CT 38

(2) He read to the Committee a letter which he wrote on the 30<sup>th</sup> January in which he stated, in reply to a request by the Austrian Ambassador at a recent interview, that he sees no good reason why the contractual agreement by the Austrian Government to set aside Sch. 5 million monthly as provision for repayment of the loan to them by the Bank of England should be suspended, and that in his opinion the agreement governing this advance should continue to be observed until the advance has been repaid out of the proceeds of an external loan or otherwise.

~~1077~~  
CT 118-01  
CT 118

(3) He has caused to be circulated to each Member of the Committee a copy of the Draft Annotated

Agenda

1<sup>st</sup> February, 1933. Agenda of the forthcoming World Economic Conference submitted by the Preparatory Committee together with a draft of tentative suggestions concerning Central Bank co-operation. This draft appears to suggest that monetary policy should be regulated by world price levels and he therefore proposes to submit in a further draft suggestions which would avoid reliance on price levels alone as a cause for action.

(4) He has received a request from Bankers interested in Brazil that Sir Otto Niemeyer should go there on leaving the Argentine, to study the position. He has received a private cable from Sir Otto Niemeyer agreeing in principle to pay this visit and is forwarding to him a reasoned Memorandum by the Bankers concerned as to points needing special consideration.

1897  
CT 115

(5) With reference to the last and earlier Minutes as to possible means of control of new issues, more particularly in regard to Clause (1) of the Chancellor's announcement of the 14<sup>th</sup> January relating to foreign issues of which the proceeds would be remitted abroad, he asked the Committee to consider the following questions -

- (1) Can any effective action be taken voluntarily, by the appointment of a Committee or otherwise,  
or
- (2) Will the question not become, sooner or later, a matter for legislation.

Wednesday, the 8<sup>th</sup> February 1933.

Present:-

The Governor,  
Mr. Lubbock,  
Mr. Shaw,  
Mr. Gladstone,

Viscount Stamp  
Sir Andrew Cunliffe,  
Mr. Penrose

Mr. Hambro  
attended by  
invitation.

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Rice Brothers, &c, was read.

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

The Weekly Reports on Central Banks and the Fortnightly Letter to Dominion Central Banks were submitted.

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

Mrs. [redacted] a Pensioner,  
formerly a Senior Clerk in the  
Accountant's Bank Note Office -  
£50 a year.

Mrs. [redacted] a  
Pensioner, formerly a House Porter  
and Messenger - £12 a year.

A Report of the Audit Committee on Audits taken by the Audit Department between the 27<sup>th</sup> September and the 10<sup>th</sup> January last was submitted and referred to the Court.

*Handwritten:*  
ET 115

With reference to the last Minutes as to possible means of control of new Issues the Committee agreed that it might be suggested to the Chancellor that in order to assist in examination of the position a Bill or Clause might be drafted, for agreement by him and by the Bank, for use at a later date if action on these lines appeared to be practicable.

The

8<sup>th</sup> February 1933

The Governor acquainted the Committee of the following matters -

~~105~~  
CT 50.01

(1) He proposes to continue the policy, approved by the Committee on the 27<sup>th</sup> April 1932 and earlier, that the Bank should hold long dated Government Securities sufficient to yield a gross income approximately equal to the normal gross dividend, while at the same time providing for adjustment of Income Tax.

In his opinion it is essential that a considerable proportion of these holdings should be in redeemable Stocks but at the present time, owing to the fact that War Stock is now irredeemable, this is not the case. He is, therefore, arranging for the transfer now from irredeemable to redeemable Stocks of an amount sufficient to make the holdings of redeemable Stocks about one-third of the total investment in long dated Securities and will make further transfers as suitable opportunity arises.

~~107~~  
CT 118.01  
CT 118.

(2) With reference to the last minutes as to the Agenda for the World Economic Conference, the Committee approved in principle revised suggestions for Central Bank co-operation, subject to the inclusion, if found practicable, of a suggestion to cover undue and sudden movements of capital from one Market to another.

~~108~~  
CT 20

(3) Mr. Berntsen of the National Bank of Denmark is here for a few days. The National Bank of Denmark at present have credits in London and in Switzerland and Mr. Berntsen would like to negotiate in their place a credit with the Bank of England; it has, however, been made clear to him that the Bank would prefer not to be approached so long as certain difficult questions connected with the Ottawa agreements and the Danish trade negotiations with Great Britain remain unsettled.

Wednesday, the 15<sup>th</sup> February, 1933.

Present :-

at full Committee

Mr Hambro  
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 approved:  
Weekly Reports on Central Banks.

List of Charitable Subscriptions for the current year.

An application for a payment to the Funds of the Royal Free Hospital was agreed in principle and it was left to the Deputy Governor to decide whether the payment should take the form of a donation or an Annual Subscription.

It was agreed that an Allowance of £60 a year be granted during pleasure and in accordance with the scale to Mrs.

Widow of \_\_\_\_\_, a Pensioner, formerly a 1<sup>st</sup> Class Clerk in the Private Drawing Office.

The following were submitted and referred to the Court -

- (a) Report of the Committee on Advances and Discounts on the Discount business for the past year.
- (b) Minute of the Staff Committee recommending an Election of Male Probationary Clerks.

It was agreed to recommend to the Court -

- (a) That pensions be granted during pleasure and according to the scale to the following Clerks at the deeds Branch:

(1) J. J. Froome

15<sup>th</sup> February,  
1933.

- (1) J. J. Froome, a 1<sup>st</sup> Class Clerk, who will attain the age of 65 years on the 13<sup>th</sup> February; £446:13:4 a year from the 19<sup>th</sup> February inclusive.
- (ii) C. R. A. Coxe, a 2<sup>nd</sup> Class Clerk, aged 58, who, in the opinion of the Bank Medical Officer is unlikely to be fit for further service, a pension equal to full salary to the 13<sup>th</sup> July next and thereafter of £335:8:- a year.
- (b) That the rate of interest on deposits with the Bank Provident Society be continued for the ensuing year at 3½% free of Income Tax.

L686  
CT 50-06

The Deputy Governor brought before the Committee the question of the amount paid each half year to "Stock Frauds Suspense Account" in respect of Treasury Bills. This account has now reached a large figure and by reason of these payments the costed accounts for Management of Treasury Bills show a heavy annual loss. The risk of loss to the Bank is negligible and he suggested that a change might well be made.

It was agreed that the Deputy Governor should make such arrangements as he thought fit in respect of these payments on Treasury Bills and that he should at the same time review the whole question of the payments to "Stock Frauds Suspense Account".

The Governor acquainted the Committee of the following matters -

- (1) In response to a request by the Secretary of State for India to recommend two persons to serve on a Departmental Committee to advise him on the question of a Central Bank for India

15<sup>th</sup> February  
1923.

India he had put forward the names of the Deputy Governor and Mr. Clegg.

CT 41 1630

CT 45 1637

(2) At the ordinary monthly Meeting of the Board of the Bank for International Settlements the question of the renewal of the credits to the Reichsbank and to the National Bank of Hungary was informally discussed.

CT 100-01 1678

At a secret meeting at which Members of the Board only were present, Mr. McGarrath stated that it was his intention to retire from the Office of President at the end of April next. Mr. Leon Fraser was thereupon invited to accept the position on Mr. McGarrath's retirement and expressed his willingness to accept the position for a maximum period of three years subject to the continued activity of the Bank.

It was then agreed that Mr. McGarrath should, on his retirement, be appointed Honorary President of the Bank and that he be invited to occupy a seat on the Board so long as he continues to reside in Europe.

Wednesday, the 22<sup>nd</sup> February, 1933.

Present:—

The Governor,  
The Deputy Governor,  
Mr. Lubbock,  
Mr. Shaw,  
Mr. Gladstone,  
Sir Josiah Stamp  
Sir Andrew Duncan  
Mr. Peacock,  
Mr. Hambro and  
Mr. Clegg,  
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 —  
Weekly Reports on Central Banks.

Fortnightly Letter to Dominion Central Banks.

Draft Minutes of the February Meeting of the Board of the Bank for International Settlements.

The following were submitted and referred to the Court —

Committee on St. Denis's:

Minute recommending appointments, &c.

Minute recommending certain increases in salary.

Report on the Annual Reports of the Clerical Staff at St. Denis's with recommendations for promotions under the 1926 Scheme.

Staff Committee:

Minute recommending appointments &c.

Minute recommending promotions under the 1926 Scheme.

Report on the Annual Reports of the Clerical Staff at the Head Office and Branches with recommendations for increases of salary &c.

With reference to the recommendations as to the Economics and Statistics Section contained in the Minute of the Staff Committee recommending appointments &c., the Chairman of the Staff Committee stated that he was satisfied

① That

22<sup>nd</sup> Feb 1933

(1) That the work of this Section will be treated as separate from the ordinary activities of the Bank, and  
(2) That the necessary steps have been taken to safeguard the Governors and the Bank in respect of any correspondence emanating from this Section.

1085  
Office File  
P58

With reference to Minutes of the 11<sup>th</sup> January last agreeing in certain circumstances to grant an annuity to Lady Cullen of Ashbourne, the Committee were informed that private and business friends of Lord Cullen had agreed to make such provision for her and her family as would, with an allowance from the Bank, afford her a small but sufficient income. In these circumstances it was agreed to recommend to the Court that an annuity of £500 a year be granted to Lady Cullen during pleasure.

The 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 £939,000.

It was proposed to deal with this surplus as follows -

To place to Reserve for Contingencies of a Capital as agreed in principle by the Committee on the 11 <sup>th</sup> January 1933	£ 750.000
To place to Reserve for Contingencies of a Honors	50.000
To Suspense Account No 1	139.000
	<u>£ 939.000</u>

CT 50.06

1075  
CT 134

It was also agreed that a sum of £400,000 be transferred from Contingencies Account to a "Suspense Account - Reserve for Doubtful Debts" of Cordillera; it will then be permissible for this sum to be set against Profits for purposes of Income Tax.

1075  
CT 134

A discussion took place on the steadily rising expenses under various heads as compared with the falling profits, on the essential need for surplus profits to be used in cases such as that provided

22<sup>nd</sup> February, 1933

provided for in the Minutes of the 11<sup>th</sup> January last, and generally on the need to examine how economies to this end can be effected.

The Governor acquainted the Committee of the following matters -

~~1475~~  
CT. 123

(1) With reference to Minutes of the 25<sup>th</sup> January last and earlier as to a possible amalgamation of certain Houses, the position of three of these Houses is rapidly deteriorating, and he therefore proposes, in order to give time for the policy of amalgamation to be further examined, to grant temporary credit facilities to the Anglo-International Bank up to a maximum of £1,000,000, provided that their available security may be regarded as collateral security for the Advance and on the understanding that drawings from the Bank will be utilised in the reduction of outstanding commitments.

~~1475~~  
CT. 38

(2) The Advance to the Austrian Government which was made by the Bank in June 1931 was subsequently made subject to the formation of a Reserve Fund to be invested in devisen: this policy was pursued for eight months, but subsequently one half of the amount set aside monthly for this Fund was at the instance of the Austrian Government invested in Austrian Treasury Bills.

The Austrian Government now wish to use the money in this Reserve Fund for the reorganisation of their Banking system and to make no further contributions.

If a loan is issued as a result of recent legislation the Bank will be repaid out of the proceeds of the loan but if the issue of the loan is long delayed he hopes that the Austrian Government will be disposed to set aside Sch. 10,000,000 monthly to establish a fresh reserve from a future date.

Wednesday, the 1<sup>st</sup> March, 1933

Present:-

The Governor,  
The Deputy  
Governor,  
Mr. Austwick,  
Mr. Shaw,  
Mr. Gladstone,  
Sir Andrew Duncan,  
Mr. Peacock

Mr. Hamilton  
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 alterations be recommended in the Bank Rate.

The 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 [redacted] widow of [redacted] a Pensioner, formerly a 1<sup>st</sup> Class Clerk in the Land Office.

The Committee were acquainted of the following matters -

+ 107  
at 45

(1) The Governor has written to the President of the Bank for International Settlements to the effect that he is prepared to recommend the Bank of England to renew the credit to the Reichsbank, which expires on the 4<sup>th</sup> March, for three months, after repayment of £16,000,000, on the present terms and conditions except that interest may be reduced from 5 to 4 percent: any future renewal being subject, so far as the Bank of England is concerned, to the following qualifications, viz:-

That the repayment which is now to be made may be regarded at least as the first of a series of substantial repayments, designed to extinguish the credit as a whole.

That

1<sup>st</sup> March, 1933

That it is this understanding, which justifies acceptance of a reduction in the rate of interest, so that the two questions of interest and repayment are definitely linked together.

These conditions have also been approved by M. Moret.

+578  
CT 100

(2) The Governor laid before the Committee an Extract from the Report of the Société Générale de Belgique presented at the General Meeting of Shareholders on the 28<sup>th</sup> February in which the amount of the secret reserves of the Bank for International Settlements was disclosed. This information was in his opinion a serious example of the leakages which are constantly occurring in regard to the affairs of that Bank.

+585  
CT 68

(3) With reference to Minutes of the 21<sup>st</sup> December last and earlier as to the sale of the Western Branch to the Royal Bank of Scotland, the Deputy Governor yesterday again saw Sir Alexander Wright who offered to pay to the Bank of England the sum of £250,000 in full settlement of payments to cover the following matters:—

Premises,  
Furniture, Fittings and Equipment,  
Goodwill, with interest payable in  
respect of the sum due on this account,  
One half of the fees payable to Mr. Towner  
and Mr. Stanley respectively.

The Bank of England on the other hand to pay to the Royal Bank of Scotland the sum of £15,000 on account of the accrued pension liability in respect of Members of the Bank of England Staff who have been taken over by the Royal Bank of Scotland.

The Committee agreed that this offer be accepted.

Wednesday, the 8<sup>th</sup> March, 1923.

Present:-

The Governor,

The Deputy

Governor,

Mr. Knobel,

Mr. Shaw,

Mr. Gladstone,

Inspector Stamp,

Mr. Andrew Duncan,

Mr. Pearce,

Mr. Hambro

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

An Allowance of £60 a year was granted during pleasure and according to the scale to Mrs. [redacted] Widow of a Pensioner, formerly Principal of the Cashier's Store Office.

It was agreed to recommend to the Court -  
(a) That Pensions be granted during pleasure and in accordance with the scale to the following persons:-

P. E. A. Van Waterschoot, a 3<sup>rd</sup> Class Clerk in the Accountants' Department, age 31 years, service 12 years, Salary £435 a year, who has been certified as insane: £98:12:- a year from the 1<sup>st</sup> January last inclusive.

J. P. Carr, Senior Messenger to the Chief Cashier's Office, age 63 years, service 35 years, Salary £246:2:8 a year: £147:13:8 from 1<sup>st</sup> May next inclusive.

(b) With reference to an Order of Court of the 8<sup>th</sup> November

8<sup>th</sup> March 1933

November 1928 authorising the printing of a certain number of high denomination non-negotiable Notes to be used for setting aside against Scottish and Northern Irish Bank Note Issues and for holding in the Reserve in the Banking Department, it was agreed to recommend to the Court of Directors that these Notes, which have become worn and dirty, be now destroyed and that the following Notes be printed, viz.,

1500 <sup>Notes</sup> for £100,000 each

500 Notes for £5,000 each.

It was further agreed to recommend that in future when Notes of this description become unfit for further use by wear and tear they be destroyed under the supervision of the Audit Department and that an equal number of Notes of the same denominations be printed, under the authority of one of the Governors, to take the place of those destroyed.

1085  
CT 68

With reference to the last Minutes as to the purchase of the Western Branch by the Royal Bank of Scotland, the Committee agreed that the gross amount of £250,000 be placed to Contingencies Account immediately it is received.

1086  
CT 50-06

With further reference to Minutes of the 15<sup>th</sup> February last as to the amount to be paid each half-year to "Stocks Funds Suspense Account", the Deputy Governor informed the Committee that he had arranged for the half-yearly payments on account of Treasury Bills to be reduced, but that in his view there was no occasion to make any change at present in the scale of payments on account of Stocks.

The

8<sup>th</sup> March,  
1922

The Governor informed the Committee that he proposed to arrange for Mr. Sprague to go to New York as soon as possible so that the Bank might be informed of the developments in the United States.

~~1026~~  
CT 84 01

The Deputy Governor referred to the increase of £15,000,000 in the Fiduciary Issue which he proposed should be allowed to lapse at the date appointed, vizt., the 31<sup>st</sup> March, and the Committee agreed with him that that date was so near as to render it inadvisable for the Bank to make application to the Treasury for authority to allow the increase to lapse earlier.

Wednesday, the 15<sup>th</sup> March, 1933.

Present:—

The Governor,  
The Deputy Governor,  
Mr. Kinnocks,  
Mr. Shaw,  
Mr. Gladstone,  
Sir Andrew Duncan,  
Mr. Peacock.

Mr. Hambro  
attended by  
invitation.

The proceedings of the last Committee were read and approved.

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

The following were submitted and referred to the Court—

Minute of the Staff Committee recommending appointments.

Report of the Staff Committee recommending the election of 13 Probationary Male Clerks to the Permanent Staff.

Half Yearly Accounts of St. Luke's Printing Works and of the Works Department.

Annual Reports on the Sauraitan Fund, the Clerk's Guarantee Fund and the Pensions Reserve Funds.

It was agreed to recommend to the Court of Directors that pensions be granted during pleasure and in accordance with the scale to two Compositors at St. Luke's Printing Works—

C. R. Buxton, Age 70. Service 20 years. Wages

£244:8:- a year. Pension

£81:9:4 a year from the 11<sup>th</sup> April inclusive.

Agreed James

15<sup>th</sup> March  
1932.

Alfred James, Age 68. Service 24 years. Wages  
£247 a year. Pension £95.10.4 a year  
from the 2<sup>nd</sup> April inclusive.

~~1. 2. 3.~~  
CT 50. 03

The Deputy Governor informed the Committee that the expenses incurred by the Bank in connection with the recent conversion of the 5% War Loan and various Issue and Redemption operations which formed part of the general conversion programme amount to £422,500. This sum represents actual out-of-pocket expenses, including £2750 for gratuities which it is proposed to pay to certain Officials at the Head Office and St. Dunstons Printing Works, without any addition on account of Overhead Charges.

Under various Minutes of the Lords Commissioners of His Majesty's Treasury, scales have been fixed for the remuneration of the Bank in respect of conversion, Issue and Redemption operations and under those Minutes the Bank would be entitled to claim a considerably greater sum.

The Bank would hardly seem to be justified, however, in seeking to avail themselves of the provisions of these Minutes which were not framed with any regard to operations of this magnitude and it is therefore proposed on this occasion as an exceptional arrangement to claim from the Treasury only the said sum of £422,500.

~~1. 2. 3.~~

The Governor informed the Committee that the business at the monthly Meeting of the Board of the Bank for International Settlements had been formal.

CT 100. 03

The Staff of the Bank now numbered 112, which was admitted to be considerably in excess of requirements, but he feared that no early reduction was probable owing to the claims of various Central Banks for special consideration of

15<sup>th</sup> March 1933 of their respective nationals

CT 100.01

He had learnt privately and with regret that the Governor of the Riksbank would not be re-elected to the Board on the termination of his present period of Office; he believed that this decision was due to the fact that Sweden is not now a Gold Standard Country.

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 of Directors for submission to the Court of Proprietors 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.

Wednesday, the 22<sup>nd</sup> March 1933.

Present:-

The Governor,

The Deputy Governor,

Mr. Lubbock,

Mr. Straw,

Mr. Gladstone,

Sir Andrew Bonar Law,

Mr. Peacock,

Mr. Hambro

attended by invitation

The proceedings of the last Committee were read and approved.

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.

The following were submitted -  
Weekly Reports on Central Banks.  
Trustingly Letter to Dominion Central Banks.  
Draft Minutes of the March Meeting of the Board of the Bank for International Settlements.

It was agreed that an allowance of £18 a year be granted during pleasure and according to the scale to Mrs. [redacted] widow of [redacted]

22<sup>nd</sup> March, 1933. of \_\_\_\_\_, a Pensioner, formerly a House Porter and Watchman.

The following were submitted and referred to the Court -

House List of Governors and Directors for the ensuing year.

Procedure for the Election of the Committee of Treasury  
Letter from the Chancellor of the Exchequer applying for Advances during the ensuing Quarter.

Quarterly Report of the Committee appointed to consider the Securities of certain Funds

Recommendation as to the amalgamation of the Public and Private Drawing Offices.

Applications for permission to join the Board of Société Française Peninsulaire et Orientale.

The Governor acquainted the Committee of the following matters -

~~168~~  
CT. 38

(1) With reference to Minutes of the 22<sup>nd</sup> February last, the Adviser to the Austrian National Bank, on the strength of a cabled offer to the Bank of England, which he believed would be accepted, has released for the purpose of the proposed banking reconstruction in Austria resources accumulated against the Bank's advance to the Austrian Government.

Now that the original agreement has been broken he attaches no importance to the further observance of its form and he has pressed for a new and effectual agreement to take the form of a binding obligation by the Austrian Government to provide and set aside out of its budgetary resources a monthly sum of £50,000,000 as from, say, the 1<sup>st</sup> June next.

~~168~~  
CT. 55

(2) With reference to Minutes of the 24<sup>th</sup> September 1930 he had agreed to a proposal contained

22<sup>nd</sup> March  
1933

contained in a Memorandum by Mr. Kershaw, that so long as the pound sterling has no fixed relation to the dollar the Bank in agreement with the Treasury will not press their objection to the currency of British Honduras remaining on a de facto United States Dollar Standard.

+E+  
CT 60 02

(3) He proposed that when the Standing Committees for the ensuing year are appointed by the Court a Special Committee should also be appointed to consider and report on all the present expenditure of the Bank, including Rebuilding and Salaries and as to the methods to be adopted to secure economical administration in the future.

CT 71 01

(4) He called attention to the harm which had been done to the Government, the Bank and the community by the attitude recently adopted by the "Times" towards certain aspects of the Government's policy especially as defined by the Chancellor; but he realised that the circumstances are not such as to justify his resignation of the position of Trustee of the Times Holding Company which he occupies as Governor of the Bank.

+D74  
CT 118 01  
CT 118  
CT 100 06

(5) With reference to Minutes of the 8<sup>th</sup> February last and earlier as to the Agenda for the World Economic Conference, the Central Banks have all agreed to submit to the Bank for International Settlements their comments on a memorandum by Dr. Trip on the general principles for the working of the Gold Standard. The agreed version would be available for use as an aide-memoire by the delegates of the Bank for International Settlements at the World Economic Conference but are not intended

22<sup>nd</sup> March,  
1933.

intended to be published beforehand.

He has caused to be circulated the original paper by Dr. Trip and a revised version prepared within the Bank, also the latest draft of a Declaration of Policy by Central Banks. The last named document has not yet been agreed with the Treasury or with any Central Banks.

Wednesday, the 29<sup>th</sup> March, 1933.

Present :-

The Governor,

The Deputy

Governor,

Mr. Kibbick,

Mr. Greenfell,

Mr. Shaw,

Mr. Gladstone,

Sir Andrew Duncan

Mr. Peacock,

Mr. Hambro

attended by

invitations

The proceedings of the last Committee were read and approved.

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.

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

It was agreed to recommend to the Court of Directors -

(1) That by virtue of the powers conferred upon them by the Currency and Bank Notes Act 1928, Section 4, Sub-Section 3, the Bank should give three months' notice that transferred Currency Notes will be called in on the 31<sup>st</sup> July next.

(2) That pensions be granted during pleasure and in accordance with the scale to the three following persons, vizt -

D. A. Clarke

29<sup>th</sup> March,  
1933.

D. A. Clarke, Gate Porter, age 65 on the 6<sup>th</sup> April:  
Wages £254:3:- a year. Pension  
£169:8:8 a year from the 7<sup>th</sup> April  
inclusive.

J. Rolfe, Messenger to the Discount Office, age 65  
on the 30<sup>th</sup> March: Wages £243:19:4  
a year. Pension £162:13:- a year  
from the 31<sup>st</sup> March inclusive.

J. H. Brown, a compositor at St. Luke's Printing  
works, age 67: Wages £247 a year.  
Pension £82:6:8 a year from the  
9<sup>th</sup> April inclusive.

A Minute of the Committee on St. Luke's  
as to payment of part of the expenses at the  
Annual Sports Meeting of the Britannia Athletic  
Association was submitted and it was agreed in  
the interests of economy that this Minute be  
referred back to the Committee on St. Luke's  
for the insertion of a limit to the amount  
to be so expended.

The Governor acquainted the  
Committee of the following matters -

~~1882~~  
CT. 44

(1) While on a holiday at Bar Harbour last  
summer, he went somewhat unwillingly  
to New York solely to visit Mr. Harrison,  
Governor of the Federal Reserve Bank of New  
York who had complained to him almost  
daily of not receiving such a visit while he  
was in America.

He now learns through an independent  
third party of the resentment of Mr. Meyer,  
Governor of the Federal Reserve Board,  
Washington, that he should have visited  
the Governor of that Bank and not have  
first

29<sup>th</sup> March  
1933

first visited the Governor of the Board.

Mr. Meyer has similarly taken steps to let him hear that in his opinion no Head of a Foreign Central Bank should in future regard himself as free to visit the Governor of the Federal Reserve Bank of New York without having first been received in Washington by the Governor of the Board. And thus Mr. Meyer makes it evident that in his opinion the dominance of the system is to pass from the Executive in New York to the Advisory in Washington.

1869  
C.T. 4

(2) With reference to Minutes of the 19<sup>th</sup> October last and to the increasing responsibility of London as a Gold centre in the future, he laid before the Committee a letter from the Governor of the Commonwealth Bank of Australia in regard to gold shipments and to the appointment of a London Advisory Committee, with his reply.

Wednesday, the 5<sup>th</sup> April, 1933.

Present:—

A full Committee

Mr Hambro  
attended by invitation

The proceedings of the last Committee were read and approved.

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 and the Fortnightly Letter to Dominion Central Banks were laid before the Committee.

Requests for donations by the British Management Council and by the Young Women's Christian Association for relief of unemployment among women, were considered and declined.

~~1680.~~  
CT 70  
+ SEC 2.

With reference to Minutes of the 18<sup>th</sup> January last and earlier as to Sir Basil Blackett's book "Planned Money", the Governor called the attention of the Committee to a letter by Sir Basil Blackett, dealing with current questions of national financial policy, recently published in the "Times".

In his view the public discussion of such questions by a Director of the Bank, may cause embarrassment to the Chancellor of the Exchequer and create difficulty for the Governors should they tender advice to the Government regarding any matter so discussed.

After discussion the Committee agreed that it is undesirable for any Member of  
the

5<sup>th</sup> April  
1933

the Court in his individual capacity to engage in public discussion on any question of national financial policy in regard to which the Governors in their official capacity may advise the Government.

Wednesday, the 12<sup>th</sup> April, 1933.

Present:—

The Governor,

The Deputy Governor,

Mr. Greenfell,

Mr. Gladstone,

Mr. Hambro

Sir Andrew Duncan,

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.

The Weekly Reports on Central Banks were submitted.

The following were submitted and referred to the Court—

Minute of the Staff Committee recommending an appointment.

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

Minute of the Committee on St. Luke's recommending a contribution to the Annual Sports Meeting of the Britannia Athletic Association.

With reference to the Order of Court of the 20<sup>th</sup> November 1930 as to the procedure to be adopted for the re-opening of the Waiting List of Candidates for Women Clerkships, the Governor informed the Committee that the list had on this occasion fallen below 50 in number and that

12<sup>th</sup> April, 1923.

that consequently four nominations would be allotted to each of the Governors, two to each of the Directors, and that there would be in addition four nominations at the disposal of the Governor for daughters of Clerks.

CT 60.02 ~~HE~~  
Proposals were approved for the appointment of Standing Committees &c., for the current year and for the appointment of a Special Committee on Economy.

CT 70.01  
The following proposals for the appointment and special remuneration of Executive Directors for the current year and for the remuneration, in addition to their normal fees, of Members of the Court whose exclusive services are engaged by the Court were considered and submitted to the Court for approval:—

Sir S. M. Harvey, Deputy Governor to be paid at the rate of £5,000 a year.

CT 60. ~~HE~~  
Mr. C. J. Hambro, to act temporarily as an Executive Director and to be paid while so acting at the rate of £4,500 a year from the 1<sup>st</sup> April, inclusive.

CT 70.04  
Mr. Hambro to be allowed to remain a member of the Boards of Hambros Bank, the Great Western Railway and the Mercantile Bank of India provided he obtains leave of absence from these Companies while so acting.

Mr. W. H. Clegg, to be the Executive Director in charge of Domestic Organisation and to be paid at the rate of £2,000 a year from the 1<sup>st</sup> March inclusive.

Mr. S. H. Martin, to be an Executive Director, and to be paid at the rate of £1,500 a year from the 6<sup>th</sup> April inclusive.

The

12<sup>th</sup> April,  
1933.

The Governor acquainted the Committee of the following matters -

1872

CT. 100.01

(1) On his way to the Monthly Meeting of the Board of the Bank for International Settlements he spent a very satisfactory day with Dr. Schacht, whose presence at Basle will in his opinion bring a welcome addition of strength to the Board.

CT. 38. 148

CT. 41 163

(2) With reference to Minutes of the 11<sup>th</sup> January last and earlier, the Bank have agreed to the renewal for a further three months of their advance to the Austrian Government, and of their participations in the Central Bank Credits to the National Bank of Austria and the National Bank of Hungary, all of which mature on the 18<sup>th</sup> instant.

Wednesday, the 19<sup>th</sup> April, 1933.

Present:-

The Deputy  
Governor  
Mr. Groussell,  
Mr. Gladstone,  
Mr. Hambro,  
Mr. Andrew  
Duncan  
Mr. Beacock

The proceedings of the last Committee were read and agreed.

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

CT. 45 167

CT. 122 165

CT. 50.06

In connection with the explanation of the movements in the Bank's figures, the Deputy Governor mentioned that as the Central Banking credit to the Reichsbank, the balance of which had just been repaid, was granted whilst this country was on the Gold Standard, the sale of the Gold received in repayment had resulted in a substantial sterling profit to the Bank. This profit might be placed to the Contingencies Account as a contribution to the proposed provision against the liability in respect of  
Chilnet

19<sup>th</sup> April, 1933

Adopted in pursuance of the Minute of the Committee of the 11<sup>th</sup> January last.

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

The Quarterly Report of the Committee on Advances and Discounts and the Fortnightly Letter to Dominion Central Banks were laid before the Committee.

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

Wednesday, the 26<sup>th</sup> April, 1933.

Present:—

The Deputy Governor,

Mr. Grenfell,

Mr. Glendstone,

Sir Joseph Stamps,

Mr. Hambro,

Sir Andrew Buchanan,

Mr. Pearce.

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.

It was agreed that an allowance of £50 a year be granted, during pleasure and in accordance with the scale, to Mrs.

Widow of  
a Pensioner, formerly a 2<sup>nd</sup> Class Clerk in the Accountants Bank Note Office.

It was

26<sup>th</sup> April,  
1933.

It was agreed to recommend to the Court -

(1) That Henry Wordsworth, a 1<sup>st</sup> Class Clerk (Star) in the Power of Attorney Office, who attained the age of 62 years on the 11<sup>th</sup> August last and will complete 44 years' service on the 13<sup>th</sup> June, be granted, during pleasure and in accordance with the scale, a Pension of £457:6:8 a year from the 1<sup>st</sup> August next inclusive.

(2) That a donation of £1,000 be made to the London Hospital in response to the quinquennial appeal for funds for maintenance.

The Deputy Governor informed the Committee.

(1) That in order that the Press may be correctly informed as to the architectural features of the new Bank, Mr Herbert Baker has prepared a memorandum which it was proposed should be issued to the Press (through the Press Association) for such use as they may wish to make of it. Copies of the memorandum were laid on the table.

L 587  
EX 40

(2) That in response to an urgent request from the Chancellor the Bank have acquiesced, subject to certain stipulations, in the French Government being allowed to negotiate with London Bankers for a short term credit for £30,000,000 for a maximum period of six months without the option of renewal. The transaction would be of a normal banking character and the terms of the credit would be settled by direct negotiation between the French Government and the participants.

The Bank of France had signified their approval of the operation and in order to facilitate it, had proposed a private arrangement with the Bank of England which would secure to the latter complete control over the transfer of the proceeds and safeguard the exchanges.

Wednesday, the 3<sup>rd</sup> May, 1933.

Present:—

At full Committee.

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 and the Fortnightly Letter to Dominion Central Banks were laid before the Committee.

The following were submitted and referred to the Court -

- (1) Quarterly Report of the Staff Committee with "Overs" and "Shorts".
- (2) Report of the Audit Committee on Audits taken by the Audit Department between the 12<sup>th</sup> January and the 19<sup>th</sup> April 1933.

~~144T~~

CT 125

The Committee considered an application from the Sundry Trustees of the Great Indian Peninsula Railway for temporary advances up to a total of £200,000 in any half-year, in anticipation of the receipt of their half-yearly income, to enable them to make purchases of the Sundry for the Sinking Fund when available. It was agreed that until further notice such advances be granted up to the figure named against the undertaking of the Trustees to make repayment by the sale of other securities held for the Sinking Fund whenever called upon to do so.

The Governor acquainted the Committee of the following matters -

(1) He had

3<sup>rd</sup> May 1932+25  
CT 38

(1) He had received an unsatisfactory response to the representations he had made through the National Bank of Austria in regard to the action referred to in the Minutes of the 22<sup>nd</sup> March. The Austrian Authorities appeared to ignore their position as debtors and their moral obligation to set up a reserve or make other provision for the Bank's advance. So dissatisfied was he with the position on his recent return, that he had asked Mr Siepmann to go to Vienna to examine the prospects before the next Basel meeting. The establishment of a reserve fund seemed more than ever important as it now appeared unlikely that the proposed Guaranteed Loan would be issued: it had transpired that the terms of the Protocol and the defaults in the service of the 1923 and 1930 Loans made it technically impossible for H.M. Government to implement their guarantee. This was unfortunate politically also; for it might enable other countries safely to profess their willingness to make an issue and to insinuate that this country was finding technical excuses for avoiding a transaction which they had come to regard as bad business.

+55  
CT 186

(2) With reference to the Minutes of the 20<sup>th</sup> April last he had acceded, on the recommendation of The Securities Management Trust, to a request from William Boardman & Co Ltd. that the interest received by the Bank on the 30<sup>th</sup> December last on their holding of 7% First Mortgage Debenture Stock, should also be made available to the Company in the form of an advance against a sufficient portion of the same Stock. He proposed to recommend a similar course in respect of the Stock held for His Majesty's Treasury. The action had been forced upon the Company in spite of resolute  
and

3<sup>rd</sup> May, 1933 and economic management by the continued insufficiency of orders from which they suffered, in common with other similar firms. The present request was thought to be reasonable, but it was questionable whether the same method could justifiably be repeated: rather a moratorium might be inevitable.

Wednesday, the 10<sup>th</sup> May, 1933.

Present:—

The Deputy Governor,  
Mr. Gresham,  
Mr. Gladstone,  
Mr. Hambro,  
Sir Andrew Duncan,  
Mr. Pearce.

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.

The Weekly Reports on Central Banks were submitted.

A Memorandum was submitted with regard to the theft of a £50 Treasury Bond 1932/35 by formerly a  
Temporary Clerk in the service of the Bank. It was agreed to recommend to the Court of Directors that the sum of £111: 7: 4, being the total cost to the Bank of replacing the Bond and of the prosecution of [redacted] be recovered from the Clerks' Guarantee Fund.

An application

CT 76-01

10<sup>th</sup> May,  
1933.

An application by Mr. Shaw for permission to become a Director and Vice-President of the Canadian Australasian Line Limited was submitted and referred to the Court.

Wednesday, the 17<sup>th</sup> May, 1933.

Present:—

The Governor,  
Mr. Grenfell,  
Mr. Shaw,  
Mr. Gladstone,  
Mr. Andrew Duncan,  
Mr. Hambro  
Mr. Peacock.

The proceedings of the last Committee were read and approved.

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—

- (1) Weekly Reports on Central Banks.
- (2) Fortnightly Letter to Dominion Central Banks.
- (3) Monthly Report of the Committee on Advances and Discounts.

The following were submitted and referred to the Court—

- (1) Minute of the Staff Committee recommending <sup>appointments, &c.</sup>
- (2) Minute of the Committee on Advances and Discounts recommending the opening of a Discount Account.
- (3) Applications—

(a) By Mr. P. S. Cooper to be allowed to serve as a member of the London Transport Passenger Board.

(b) By Mr. Shaw to join the Boards of the Salomon Sea Company Limited, the Scottport Sea Company Limited and the Tarrapore Sea Company Limited.

The Committee having heard Mr. Clegg agreed—

(a) That

17<sup>th</sup> May, 1933  
 CT 54 HEH

(a) That the system of loose-leaf cards for Stock Accounts which has been employed successfully in a small degree be extended to cover new Stocks and the 2½% Consolidated Stock, subject to a report being made to the Committee at the end of six months.

LBH  
 CT 67.02

(b) With reference to the Minutes of the 2<sup>nd</sup> May 1928 and earlier, that for the next three years the annual grant to the Bank of England Sports Club be equivalent to 40% of the sum subscribed by members in each year.

The Governor acquainted the Committee of the following -

1855  
 CT 186

(1) In order to finance the work in progress on two Admiralty contracts Messrs. Williams Beardmore & Co. Ltd., were negotiating for an advance from their bankers who required to be satisfied -

(a) That their title to machinery and parts manufactured for the contracts would not be affected by the claims of the debenture holders in the event of the company being placed in liquidation.

(b) That the Company had sufficient funds to enable it to finance its normal business.

Although in the opinion of the lawyers the bankers were protected on the first point without any undertaking from the Bank, he had at the request of The Securities Management Trust authorised the Chief Cashier to write a letter which had the approval of Messrs. Freshfields giving the required assurance so far as the Bank are concerned.

On the second point The Securities Management Trust were satisfied that the Company could not continue to finance its business and also meet the service of the First Debenture Stock. At the request of The Securities

Management

17<sup>th</sup> May,  
1933

Management Trust he had agreed in principle to a moratorium on this debt for a period to be settled - probably two or three years. The Admiralty had awarded the contracts after receiving a statement from the Bank who were thus already virtually committed; and as the bankers were willing to finance the contracts and as the prospects of rationalisation in Scotland seemed hopeful, it was not feasible to adopt the only alternative of putting in a Receiver.

~~1297~~  
SEC. 6

(2) He had recently met Dr Popovics in Zurich at the latter's request. Dr Popovics had said that his continuance in office for a further period, as urged by foreign interests, would be dependent upon his being allowed to retain the services of Mr Bruce. It was impossible to deny this request, which would however mean that it would not be possible to secure Mr Bruce's services for the Bank of Ireland as mentioned in the Minutes of the 1<sup>st</sup> February last and earlier.

~~1295~~  
CT. 51

(3) Mr. Grenfell reported that certain questions had been raised with him at the last meeting of the Committee on Advances and Discounts as to the apparent difference between the total Advances reported to the Court and the special Advances submitted to the Committee under Section 13(b) of the Regulations affecting the General Conduct of the Business of the Bank.

~~1288~~  
CT. 45. 01

(4) He referred to a cable received from the Reichsbank reporting the unfavourable foreign exchange position and inviting the various interests connected with the long and short-term German debt and the Trustees of German Issues in this Country to attend a meeting.

17<sup>th</sup> May 1933 Meeting in Berlin on the 29<sup>th</sup> May. As requested by the Reichsbank, the cable has been circulated to the interested parties and he has caused it also to be published in the Press. He thought it both wise and necessary for the Bank of England to send a representative to the proposed Conference because of the position of the Bank vis-à-vis the Reichsbank and as the issuing Bankers of the Dawes and Young Loans. He proposed therefore to send Mr. Stepmann.

~~1894~~  
CT 119.01

(5) The French Government had presented a demarche in London and Washington urging the need for agreement in principle before the World Economic Conference upon the stabilisation of their respective currencies. While the attitude of the United States was not known it did not seem that any useful purpose would be served by conversations between Her Government and the French Government. But if the Chancellor wished the Bank of England to approach the Bank of France he proposed to ask Mr. Hambro to go to Paris on his behalf.

~~1896~~  
Office File 1180

(6) Dr. Sprague had most unexpectedly received a personal telegram asking him to take an appointment in Washington with Mr. Woodin; this came as a surprise to Dr. Sprague after his fruitless visit to America recently. Dr. Sprague believes that power on matters within his province is to be retained by the President and the so-called "Brain Trust" and that the Secretary of the Treasury will undertake only purely banking arrangements. For these and the added reason that the salary was quite inadequate to his needs, Dr. Sprague had been inclined

17<sup>th</sup> May.  
1933

inclined to reject the invitation out of hand. But in view of the source from which the invitation emanated, it could not be completely ignored and after talking to some friends in New York, Dr Sprague had gone out to find out precisely what the post is and means.

~~108~~  
CT. 38

(7) With reference to the Minutes of the 3<sup>rd</sup> May, Mr Siepmann's visit to Vienna had resulted in a basis for a new Agreement which would modify the old Agreement so as to regularise the present position and provide definite accumulations to the special account according to the capacity of the Austrians as certified from time to time. The Agreement appears to achieve as much as is possible in the circumstances and he would sign it: it had been passed on the legal side by Messrs. Freshfields

Wednesday, the 24<sup>th</sup> May, 1933.

Present:-

The Governor.

Mr. Grenfell.

Mr. Shaw.

Mr. Gladstone.

Mr. Hambro.

Sir Andrew

Duncan.

Mr. Penrose.

The proceedings of the last Committee were read and approved.

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.

It was agreed to recommend to the Court of Directors that J. C. Leaf, a Sub-Cashier, who will attain the age of 65 years on the 1<sup>st</sup> June, be granted during pleasure and in accordance with the scale, a pension of £566 : 13 : 4<sup>d</sup> a year from the 2<sup>nd</sup> June next inclusive.

~~1696~~  
Office File  
P180

With reference to the minutes of the last Meeting, the Committee were informed that following his acceptance of a position as Executive Assistant to the Secretary of the United States Treasury, Dr. Sprague had by telephone tendered his resignation to the Bank of England.

It was agreed to recommend to the Court of Directors that Dr. Sprague's resignation be accepted and that in the circumstances his present inclusive remuneration of £7,500 a year be continued until the 31<sup>st</sup> May.

It was thought undesirable that the Bank should make an ex gratia payment to Dr. Sprague in appreciation of his services, as such action, if known, might be misconstrued both here and in America.

It was

24<sup>th</sup> May, 1933

It was agreed that in filling the place of Mr Sprague the Bank should not again engage an Economist from the United States although the previous appointments had been amply justified by results, but that the Governor should approach Professor Clay and endeavour to arrange for him to fill the gap - as a part-time duty for the remainder of his present agreement with the Bank, but eventually whole-time.

The Governor acquainted the Committee of the following matters -

~~1078~~  
CT 78

(1) With reference to the Minutes of the 25<sup>th</sup> January last and earlier, he had been approached by Messrs. J. & A. Scrimgeour for permission to act as one of the brokers of a repurchasing issue of the Nelson Steam Navigation Company Guaranteed by the Government of Northern Ireland. Under the Acts, although Stocks of the Ulster Government are Trustee Issues, Stocks guaranteed by them are not. In his opinion it would not have been within the spirit of the understanding to have denied Messrs. Scrimgeour the desired permission which he had accordingly granted as an exception.

~~1074~~  
CT 118 01

(2) With reference to the Minutes of the previous Meeting, he has agreed with M. Moret a Memorandum which was designed to bring about an early Meeting of those authorised to speak for France, America and this country on monetary policy and stabilisation. The text has been communicated by M. Moret and by himself to Mr. Harrison, who is taking the matter up with Washington, and it has also been forwarded

24<sup>th</sup> May, 1933 forwarded to the Chancellor.

~~LD 55~~  
CT 45-01

(3) He has received a visit from Dr Schacht, who had given, inter alia, his impressions of the position in America. It was largely in order to convince the public there of the inability of Germany to continue at this time to meet the debt service of their overseas loans in full that the Reichsbank had called the meeting which was to be held in Berlin at the end of the month.

(4) He had also received his first visit from Mr Fraser as President of the Bank for International Settlements and discussed with him such questions as the Dawes and Young Loans, the Finance Committee of the League, Hungary, and a number of matters affecting the Bank for International Settlements.

Wednesday, the 31<sup>st</sup> May, 1933.

Present:-

The Governor,

The Deputy Governor,

Mr. Grenfell,

Mr. Shaw,

Mr. Gladstone,

Sir Andrew Duncan,

Mr. Seacock.

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

The

31<sup>st</sup> May,  
1933

The Governor acquainted the Committee  
of the following matters -

~~1050~~  
CT 45 01

(1) With reference to Minutes of the 17<sup>th</sup> May in which he informed the Committee that he proposed to send Mr Siepmann to Berlin where he would attend the meeting of the Reichsbank on the 29<sup>th</sup> May, he has now arranged, following a protest from M. Moret, that Mr. Siepmann should not attend the meeting.

~~1050~~  
CT 35

(2) In a cable to the High Commissioner for New Zealand in London the New Zealand Minister of Finance asked for the views of the Bank of England on two specific matters relating to the proposed Reserve Bank and involving questions of Central Banking, principle. He read to the Committee the enquiries in question together with the Bank's reply.

CT 171

Office File  
P30

(3) With reference to the last Minutes as to the resignation of Dr Sprague he has had a discussion with Professor Clay and he proposes that Professor Clay shall act as whole-time Economic Adviser to the Governors.

It was agreed to recommend to the Court of Directors that Professor Clay be offered an appointment for a period of 5 years from the 1<sup>st</sup> June next, which will include the unexpired portion of his engagement with The Securities Management Trust, at an inclusive salary of £4,000 a year, of which sum The Securities Management Trust will contribute £1,000 per annum for the unexpired portion of his agreement with them: the terms will otherwise be the same as those already existing.

~~1050~~  
CT 118 01

(4) He proposes that Mr Kershaw shall be attached to the British Delegation to the World Economic Conference.

Mr. Clay

31<sup>st</sup> May, 1933.

Mr. Clegg, then attended the Committee and submitted a Report of the Staff Committee on the case of two Auxiliary Women Clerks whose conduct had been the subject of enquiry. The Committee approved the Report and agreed that it be recommended to the Court.

Wednesday, the 7<sup>th</sup> June, 1933.

Present:—

The Governor.

The Deputy Governor.

Mr. Grenfell

Mr. Gladstone

Sir Andrew Scurry

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.

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 —

Walter Rumpf, a House Porter & Watchman :

age 65 years on the 14<sup>th</sup> June :

service 14 years : wages £221 a year.

Pension £70 + 14/- a year from the 15<sup>th</sup> June inclusive.

L. K. Murray, an Auxiliary Woman Clerk :

age 50 years on the 13<sup>th</sup> June :

service 15 years : Salary £200 a year.

Pension £60 a year from the 14<sup>th</sup> June inclusive.

The

7<sup>th</sup> June.  
1933.  
+ 278  
CT 100

The Governor informed the Committee that the Board of the Bank for International Settlements at their June Meeting, had passed a Resolution that in their view every country should have a Central Bank. They had also agreed in principle to fund for three years the outstanding Hungarian Credits on terms to be settled later, but it had been decided that in any event the conditions must include an undertaking by Hungary that she will put her Banking situation in order and will come to an arrangement with her short-term creditors.

LC 30  
CT 41

LC 74  
CT 118.01

Mr. Fraser had been invited to represent the Bank for International Settlements at the World Economic Conference and it had been provisionally agreed that it might be convenient to hold the July Meeting of the Board in London.

CT 100.01

In this connection the Governor said that in his view the Bank of England must help the representatives of other Central Banks attending the World Economic Conference by providing accommodation, clerical assistance, &c., and that, if necessary, arrangements must also be made to enable the July Meeting of the Board of the Bank for International Settlements to be held here.

Wednesday, the 14<sup>th</sup> June, 1933

Present -

The Governor,  
The Deputy Governor,  
Mr. Grenfell  
Mr. Shaw  
Mr. Gladstone  
Sir Andrew Duncan  
Mr. Peacock

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:-

- (1) Weekly Reports on Central Banks
- (2) Fortnightly Letter to Dominion Central Banks
- (3) Draft minutes of the June Meeting of the Board of the Bank for International Settlements.

A minute of the Staff Committee recommending appointments, &c. was submitted and referred to the Court.

An application from King George Hospital, Ilford, for a donation was declined.

The Governor acquainted the Committee of the following matters -

~~1076~~  
Office file  
P180

- (1) As Professor Sprague accepted his position here on the invitation of the Bank it appeared to be only right that the Bank should bear any expense incurred in connection with the return of Professor Sprague's family to America and it was proposed in due course to make the necessary arrangements to this end.

- (2) It is expected

14<sup>th</sup> June  
1933

~~1658~~  
CT 38

(2) It is expected that the arrangements for the issues of the Austrian Guaranteed Loan will be completed within the next three weeks. It has been pointed out by Messrs. Freshfields that a question of Austrian Constitutional Law affecting the validity of these issues may arise at some future date but, as the Bank of England will issue the loans on the guarantee of the Government, it appears that any such question will be the responsibility solely of the Government.

~~1657~~  
CT 189

(3) With reference to minutes of the 30<sup>th</sup> November last the commitments of the Bankers Industrial Development Company amounted at the present time to -

£550,000 %a Stewarts & Lloyds which is expected shortly to be reduced to £400,000  
£380,000 %a Dorman Long & Co. shortly to be reduced to £250,000.

~~1656~~  
CT 45 01

(4) With reference to minutes of the 31<sup>st</sup> May and earlier a letter was yesterday received from Mr. Clifford Johnston and Sir Arthur Worley urging the Bank, as the Issuing Bank for the British Branches of the Dawes and Young Loans respectively, to take action to protect the British Bondholders. It was proposed to reply to the effect that for the moment the best course will be to support the Trustees of these Loans, who represent not any particular tranche or section of Bondholders, but the Bondholders as a whole.

~~1657~~  
CT 95 01

(5) Since this country went off the Gold Standard in 1931 the Bank have become competitors for gold in the open market, which is contrary to the practice previously obtaining. If market gold is not to be lost  
to the

14<sup>th</sup> June, 1933

Bank they must be prepared to accept those assays which are good delivery in the market. It is therefore proposed -

(a) That that portion of the Treasury Committee Order of the 14<sup>th</sup> January 1931 which provides for the re-assay of a proportion of any Rand Bars purchased by the Bank be suspended.

(b) That sanction be given for purchases of gold to be made either on behalf of the Issue Department or on behalf of the Exchange Equalisation Account, ~~without the usual undertaking that the Bars would, if required, be re-assayed at the expense and loss, if any, of the seller~~ on the basis of a double assay by one of the Bank's approved Assayers or by Messrs. M. M. Rothschild & Sons.

(c) That the melting and assay of the U. S. Mint be accepted on behalf of either the Issue Department or the Exchange Equalisation Account, without the usual undertaking that the Bars would, if required, be re-assayed at the expense and loss, if any, of the seller.

(d) That customers be notified, as and when orders for the purchase of gold are received, of the alteration in the Bank's practice regarding assays; arrangements to be made according to their instructions.

it being understood that the whole question will be reviewed in the event of a return by this country to the Gold Standard.

The Committee

14<sup>th</sup> June, 1933

The Committee considered the question of the Indemnities required in connection with Bank Notes for £5 and upwards lost or destroyed and the existing arrangements for obtaining the approval of the Court for payment of such Notes and the Deputy Governor was requested to submit proposals.

HE-1.  
CT60

In connection with the recent appointment of the Economy Committee the Committee were informed that all recruiting for clerkships in the Bank had ceased until such recommendations as the Economy Committee may make as to conditions to govern future entrants into the Bank's service shall have been considered by the Court.

Wednesday the 21<sup>st</sup> June, 1933

Present:-  
a full Committee

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

It was agreed to recommend to the Court

(a) That permission

21<sup>st</sup> June, 1933

- (a) That permission be granted to Lord Hymodley to join the Board of Coal Distributors (South Wales) Ltd.
- (b) That A. R. Wiseman, a Cashier, who will attain the age of 65 years on the 23<sup>rd</sup> June, be granted as from the 24<sup>th</sup> June, inclusive, a pension of £600 a year during pleasure and in accordance with the scale.

The Governor acquainted the Committee of the following matters -

~~1889~~  
CT 167

- (1) With reference to minutes of the 10<sup>th</sup> August last, the travelling and other out-of-pocket expenses incurred in connection with the League Loans Committee had amounted during the past twelve months to rather less than £1,800.

~~1885~~  
CT 50.01

- (2) With reference to minutes of the 8<sup>th</sup> February last, it was now proposed to make further transfers from irredeemable to redeemable Stocks of an amount sufficient to make the nominal holdings of redeemable Stocks about equal to those of irredeemable Stocks.

~~1877~~  
CT 118.01  
CT 81

- (3) During the past week we had been endeavouring on behalf of the Government to make certain agreements with France and the United States to secure comparative stability of exchange during the sittings of the World Economic Conference. Up to a point we believed that we had succeeded, but our proposals had not been accepted by the United States Government. This was a disappointing result and he was also disappointed by the Chancellor's speech yesterday at the Conference when moving a Resolution on price levels and credit which concluded

with

21<sup>st</sup> June 1933 with an apparent attack on the Bank of France.

Wednesday, the 28<sup>th</sup> June, 1933

Present: -

The Governor

The Deputy Governor

Mr. Grenfell

Mr. Shaw

Mr. Gladstone

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 and the fortnightly letter to Dominion Central Banks were submitted.

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

A. V. Smith, a Cashier: age 65 years on the 2<sup>nd</sup> July  
£666:13:4 a year from the  
3<sup>rd</sup> July inclusive.

A. E. Terry, an Inspector at St. Luke's Printing Works.  
age 69 years: service 32 years.  
£139:3:4 a year from the 30<sup>th</sup>  
July inclusive.

E. J. Brown, a Compositor at St. Luke's Printing Works.  
age 65 years: service 22 years.  
£89:17:- a year from the 9<sup>th</sup> July  
inclusive.

28<sup>th</sup> June 1933

In connection with a request received by the Secretary to become a member of the National Institute of Industrial Psychology the Committee agreed that the Bank should be represented in the membership and thus give their moral support to the Institute and it was agreed to make an annual contribution of £10.10.- a year for three years, when the matter should be reconsidered.

It was agreed to recommend to the Court that cases for payment under indemnity of Bank Notes of denomination of £5 and upwards which are missing or destroyed be no longer referred to the Court and that a revised list of Banks and Insurance Companies from whom alone guarantees should be accepted in these cases should be submitted to the Court.

CT 51

~~10095~~

SEC. 4.

With reference to minutes of the 17<sup>th</sup> May last, the Committee again considered the position of the Committee on Advances and Discounts in regard to certain Special Advances and it was agreed that the Committee on Advances and Discounts be invited to submit a definite proposal for consideration.

~~10095~~

CT 41

With reference to minutes of the 7<sup>th</sup> June as to the agreement in principle by a group formed by the Board of the Bank for International Settlements to fund for three years the outstanding Hungarian credits, the Governor informed the Committee that certain proposals which were contrary to this agreement had now been made and he read to the Committee a letter from the Bank to the Bank for International Settlements confirming the arrangements made at the June meeting.

Wednesday, the 5<sup>th</sup> July, 1933.

Present:-

The Governor,

The Deputy Governor,

Mr. Shaw,

Mr. Gladstone,

Sir Francis Stamp,

Mr. Hambro,

Sir Andrew

Duncan,

Mr. Biscoe.

The proceedings of the last Committee were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

A Report of the Staff Committee on the case of a 4<sup>th</sup> Class Clerk in the Accountants Department, was submitted and referred to the Court.

On an application from Miss [redacted] a daughter of [redacted], deceased, formerly a Cashier, for assistance for her sister and herself, it was agreed that they each be granted, during pleasure, a compassionate Allowance of 10/- a week.

HC 37

CT 71

With reference to questions which had recently been raised in Court by Sir Alan Anderson as to the possibility of a report being made to the Court on the relation of the Bank to The Securities Management Trust, the Deputy Governor submitted a memorandum on the Bank and Industry which was approved by the Committee. It was agreed that if the memorandum satisfied Sir Alan Anderson it should then be made available in the Secretary's Office to any Director.

HC 53

CT 189

Witts

5<sup>th</sup> July 1933.~~1932~~

CT 192

With reference to Minutes of the 29<sup>th</sup> June 1932 as to the necessity of arranging for the provision of such an advance as might be needed to secure the continuance of the Fairfield Shipbuilding and Engineering Company Limited, the Governor informed the Committee that the necessary arrangements to provide up to £150,000 have been agreed and will be completed in the near future.

Wednesday, the 12<sup>th</sup> July, 1933.

Present:—

The Governor,  
The Deputy Governor,  
Mr. Grenfell,  
Mr. Shaw,  
Mr. Gladstone,  
Mr. Hambro  
Mr. Andrew Duncan  
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 alterations be recommended in the Bank Rate.

The Weekly Reports on Central Banks and the Fortnightly Letter to Dominion Central Banks were submitted.

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—

Sir Alan Anderson (Chairman)  
Mr. Goschen  
Mr. Gladstone  
Mr. Clegg  
Mr. Walker  
Mr. [redacted]

With

12 July 1923

~~1637~~

CT 171

~~1653~~

CT 189

With reference to the last Minutes, the Deputy Governor informed the Committee that Sir Alan Anderson had approved the Memorandum on the Bank and Industry which would therefore be available in the Secretary's Office for any Member of the Court who might wish to read it.

~~1688~~

CT 45 01

The Governor informed the Committee that he is sending to the Trustee of the Young Loan, by arrangement, a formal protest in regard to the proposal to make Sinking Fund payments in blocked Reichsmarks while at the same time meeting the transfer of a portion of the interest on certain other loans.

For the minutes  
of the 19 July  
1933, see  
page 137.

*Pat.*



Wednesday, the 19<sup>th</sup> July, 1933.

Present :-

A full Committee

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 following were submitted and referred to the Court -

Minute of the Staff Committee recommending  
Quarterly Report of the Staff Committee <sup>appointments &c.</sup> on payments <sub>made, &c.</sub>  
Quarterly Report of the Committee to consider the Securities <sub>of certain Funds.</sub>

It was agreed to recommend to the Court -

(a) That a General Court to consider of a Dividend be held on Thursday, the 21<sup>st</sup> September.

(b) That the Committee appointed to consider the Securities of certain Funds be requested to examine quarterly the Securities held on account of the Pensioners Reserve Funds.

CT60.02 HE.

An interim Report of the Special Committee appointed by the Court of the 13<sup>th</sup> April 1933 to examine the capital and current expenditure of the Bank was submitted and consideration was deferred until the next Meeting.

The

19<sup>th</sup> July, 1932+ 575  
CT 51

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

With reference to Minutes of the 28<sup>th</sup> June and earlier, the Committee approved proposals of the Committee on Advances and Discounts as to the procedure to be adopted in regard to Special Advances and agreed to recommend for the approval of the Court certain alterations in the Regulations affecting the general conduct of the Business of the Bank which would thus be rendered necessary.

Proposals for alterations in the Regulations affecting the general conduct of the Business of the Bank were submitted, together with a Memorandum by the Chief Cashier as to signing powers to be granted to the Chief Clerk in the Chief Cashier's Office. After discussion the matter was deferred for further consideration at the next Meeting.

+ 578  
CT 37.01

The question of the invitation which had been extended to the Deputy Governor to serve on a Canadian Royal Commission, which had been discussed at an informal Meeting of the Committee on the 17<sup>th</sup> instant, was again considered. The Deputy Governor informed the Committee that the Chancellor was now considering whether in this particular instance the scope of the enquiry might be such as to render it desirable for the Deputy Governor to serve notwithstanding any objection in principle which the Bank might hold to the acceptance of such duties overseas by the Governor or Deputy Governor.

+ 588  
CT 45.01

With reference to the last Minutes, the Governor read to the Committee the letter of protest which had been written, by arrangement, to the Trustee of the Young Loan.

Wednesday, the 26<sup>th</sup> July, 1933.

Present:—

A full Committee

The proceedings of the last Committee were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Broken 10, was read.

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

The Weekly Reports on Central Banks and the Fortnightly Letter to Dominion Central Banks were submitted.

The Quarterly Report of the Staff Committee on the Accountants and Cashiers Departments, with "Overs" and "Shorts", was submitted and referred to the Court.

The Governor informed the Committee that he had yesterday returned from Basel where he had attended the July Meeting of the Board of the Bank for International Settlements.

~~LC 30.~~  
CT 41

In connection with the Hungarian position no agreement had been reached on the following questions—

- (a) as to turning a negative pledge into a positive pledge in respect of certain gold.
- (b) as to the release of bills held by Central Banks on account of Hungary;

and further consideration had been postponed for three months.

~~LC 30.~~

CT 100  
CT 86  
CT 95

The Governor of the South African Reserve Bank was there as the guest of the Bank for International Settlements. As he mentioned to the Committee on the 19<sup>th</sup> October

last

26<sup>th</sup> July 1933

last, it is the desire of the Bank for International Settlements to extend to the South African Reserve Bank an invitation to become a member of the Bank for International Settlements. He has little doubt that the Bank for International Settlements would endeavour thereafter to arrange for gold exported from South Africa to be handled by them along with part of general business.

CT60.02 + E +

The Draft Interim Report of the Economy Committee was discussed and was generally approved. The Committee were, however, of opinion that the amount of Governor's leave provisionally proposed for Probationary Women Clerks was not adequate and the Chairman of the Economy Committee agreed to reconsider with his colleagues the proposed recommendation on this point.

It was agreed that subject to reconsideration of this one minor point the Report as drafted should be laid before the Court to-morrow and that the Committee should recommend to the Court next week that it be adopted.

Wednesday, the 2<sup>nd</sup> August, 1933.

Present :-

The Governor,  
The Deputy Governor,  
Mr Greiffell,  
Mr Shaw,  
Mr Gladstone,  
Sir Josiah Stamp,  
Mr Hambro,  
Sir Andrew Duncan

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 -  
Weekly Reports on Central Banks.

Draft Minutes of the July Meeting of the Board of the Bank for International Settlements.

CT 41 ~~LC 50~~

CT 38 ~~LC 8~~

In this connection the Governor informed the Committee that the Bank, in common with the other Banks concerned, had agreed to renew for a further three months their participation in the Central Bank credits granted to the National Bank of Austria and the National Bank of Hungary respectively, also that the Bank had agreed to renew their Advance to the Austrian Government on unaltered terms for a further three months or until the proceeds of the Loan are received.

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

It was agreed to recommend to the Court of Directors -

(a) That the Regulations relative to Internal Administration of the Bank be approved as revised.

(b) That

2<sup>nd</sup> August  
1933

(b) That R. R. Sandilands, a Senior Clerk in the Dividend Accounts Office, who will attain the age of 65 years on the 7<sup>th</sup> instant, be granted a pension of £483-6-8<sup>d</sup> a year, during pleasure and in accordance with the scale, from the 8<sup>th</sup> instant inclusive.

CT.53

(c) That that portion of the Order of Court of the 27<sup>th</sup> October 1932 which concerns the position of Mr. H. A. Siepmann be rescinded, that as from that date Mr. Siepmann be appointed Acting Chief of the Overseas & Foreign Department on the terms fixed by the Order of Court of the 13<sup>th</sup> October 1927 and that this appointment be not reviewed before April 1936.

HE  
CT 60 02

The Interim Report of the Special Committee appointed by the Court of the 13<sup>th</sup> April last to examine the capital and current expenditure of the Bank was again considered.

The Chairman of the Staff Committee attended and reported the views of the Staff representatives on the Advisory Council of Directors and Staff. It appeared that the only question of any substance that had there been raised was as to the position of the Administrative Staff, more particularly the more junior ranks, in relation to the Classed Staff when the abolition of the salary "at risk" is complete. In the opinion of the Committee this question was one for future consideration by the Staff Committee if and when raised by the Staff representatives through the Advisory Council and they agreed to recommend to-morrow to the Court of Directors that the Interim Report be adopted.

A draft of the official notice to be issued to the Staff was approved.

The Governor acquainted the Committee of the following matters -

(1) With

2<sup>nd</sup> August, 1933~~L 1098~~  
CT 37.01

(1) With reference to Minutes of the 19<sup>th</sup> July as to an invitation which had been extended to the Deputy Governor to serve on a Canadian Royal Commission, Sir Charles Addis has been appointed a Member of the Commission and Mr. Kershaw had been nominated by Mr. Bennett to be attached to the Commission as a technical Expert. Mr. Kershaw, however, acting under medical advice, has been compelled to refuse and Mr. Bennett and Lord Macmillan have agreed that Mr. Fisher should go in his stead. He had offered Mr. Kershaw as an additional assistant for the concluding stages of the work of the Commission if he should then be well enough.

~~L 1092~~  
CT 164

(2) With reference to Minutes of the 18<sup>th</sup> November 1931 and earlier as to Advances amounting to £500,000 made by the Bank to the Oceanic Steam Navigation Company in order to avoid a Receivership, the Bank have been receiving regularly the interest due on these Advances, but have been unable to obtain any of the repayments of principal to which they are entitled. Any attempt now to obtain such repayments in respect of the past would probably bring about the Receivership which the Advances were made to avoid and, as the Security is thought to be ample, he does not propose at present to press the question.

(3) He submitted a preliminary estimate of profits for the half year ending 31<sup>st</sup> August with tentative proposals as to their disposal.

~~L 1099~~  
CT 181

(4) In his opinion it is essential to take some definite steps to assist the Lancashire Cotton Industry and he hopes in the Autumn to find someone, who should if possible be put

12<sup>th</sup> August,  
1933.

put forward by the Banks concerned, who will help to reorganise the whole position.

~~1-2-8~~  
CT 38

(5) With reference to the Minutes of the 14<sup>th</sup> June last and earlier, he read a memorandum regarding a question which had been raised from Vienna as to the use which the Bank of England propose to make of the book profit which would probably accrue to them as the result of the repayment of their advance by the issue of the loan which was imminent.

CT 70.01

(6) Mr. Hambro will give up his active work here at the end of September and he outlined to the Committee proposals now being discussed to meet this situation.

Present:—

Wednesday, the 9<sup>th</sup> August, 1933.

The Deputy  
Governor

Mr. Gladstone,

Mr. Hambro,

Mr. Andrew Duncan.

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 Fortnightly Letter to Dominion Central Banks was submitted.

It was agreed to recommend to the Court of Directors—

(a) That

9<sup>th</sup> August  
1933

(a) That permission be granted to Mr. Shaw to join the Board of the Majagram Tea Company Ltd.

(b) That pensions be granted during pleasure and in accordance with the scale to the following persons-

Jessie Williams, an Auxiliary Woman Clerk. Age 50 years on the 14<sup>th</sup> August. Service 16 years. Salary £230 a year. Pension £73-12-<sup>2</sup><sub>2</sub> from the 15<sup>th</sup> August inclusive.

V. A. Heavne, a compositor at St. Luke's Printing Works. Age 66 years. Service 21 years. Wages £24-7 a year. Pension £35-12-<sup>4</sup><sub>8</sub> a year from the 20<sup>th</sup> August inclusive.

~~L.A.S.~~  
CT 38

With reference to the last Minutes as to the use which the Bank propose to make of the book profit which will probably accrue to them as the result of the repayment of their Advance to the Austrian Government, the Deputy Governor informed the Committee that in the opinion of the Governor the best method of dealing with the matter would be so to adjust the rate of interest over the whole period of the Advance that nothing further would be due to the Bank in this respect.

Wednesday, the 16<sup>th</sup> August, 1933.

Present:-

The Deputy  
Governor,  
Mr. Gladstone

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

Minute recommending appointments, &c.

Report recommending the election of 3 Probationary Male Clerks to the Permanent Staff.

Report on the case of [redacted], a 3<sup>rd</sup> Class Clerk in the Cashier's Department.

It was agreed to recommend to the Court that G. S. Bennett, a 1<sup>st</sup> Class Clerk in the Power of Attorney Office, age 63, service 45 years on the 14<sup>th</sup> November, Salary £699, be granted a Pension of £446: 13: 4 a year during pleasure and in accordance with the scale from the 15<sup>th</sup> November inclusive.

Wednesday, the 23<sup>rd</sup> August, 1933.

No Meeting.

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

Wednesday, the 30<sup>th</sup> August, 1933.

Present:-

The Deputy Governor,  
Mr. Hambro,  
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 following were submitted:-

Weekly Reports on Central Banks.

Fortnightly Letter to Dominion Central Banks.

Report of the Committee on Advances Discounts on the discount business of the Bank and on Special Advances.

A Minute of the Committee on Advances Discounts recommending the continuance of facilities 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 Pensions be granted during pleasure and in accordance with the scale to the following persons:-

R. A. Pridcaux, Principal of the Securities Office,  
Age 61 years, service 43 years,  
£933 : 6 : 8 a year from the  
1<sup>st</sup> December inclusive.

J. J. Wallace, an Auxiliary Woman Clerk,  
Age 43 years, service 14 years,  
£56 a year from the 18<sup>th</sup> September  
inclusive.

The

30<sup>th</sup> August,  
1933.

The Deputy 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 per cent. less Income Tax amounted to £1,950,000.

It was proposed to deal with the surplus as follows -

To writing down to £200,000 the book cost of the Bank's holding of Anglo-International Bank shares - - - - -	£275,348.
To writing down to £3,000,000 the book cost of the shares of The Securities Management Trust - - - - -	612,556
To Reserve for Contingencies - - - - -	1,000,000
To writing off the cost of certain shares accepted by the Manchester Branch in lieu of rent - - -	18
To Suspense Account No 1 - - - - -	62,078
	<u>£1,950,000</u>

Wednesday the 6<sup>th</sup> of September 1933

Present:-

The Deputy Governor  
Mr Grenfell

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

Wednesday, the 13<sup>th</sup> September, 1933

Present:-

The Governor  
The Deputy Governor  
Mr Grenfell  
Mr Hambro

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.

It was agreed to recommend to the Court that J. H. Scott, the chief clerk of the Hull Branch, aged 60, be  
granted

13<sup>th</sup> September.  
1933

granted during pleasure and in accordance with the scale a pension of £480 a year from the 21<sup>st</sup> December next inclusive.

The Half-yearly Accounts of St. Luke's Printing Works and of the Works Department were submitted and referred to the Comt.

~~40/78~~  
CT 37.01

With reference to Minutes of the 2<sup>nd</sup> August last, the Governor informed the Committee that at the request of Lord Macmillan Mr. Kershaw sailed last week for Canada to assist in the concluding stages of the work of the Canadian Royal Commission.

~~1-250~~  
CT 122  
CT 50.06

The Chief Accountant attended the Committee and produced the accounts of the Bank for the past half-year.

In this connection the Governor explained to the Committee the policy that has been pursued in regard to the account of "Reserve for contingencies" which now stands at £3,200,000. Of this total -

£200,000 is a Reserve in respect of the advance to Bordillera

£50,000 is a Reserve on account of Konig both of which may ultimately be required. Of the balance of £2,950,000 -

£750,000 was set aside as Reserve %a Blinit

£750,000 was set aside to meet possible obligations to the Bank for International Settlements, consequent upon the suspension of the Gold Standard by this country, but would not now be required for that purpose.

£200,000 is the unrequired balance of provision made in respect of the guarantee to Lloyd's Bank %a 100 & 10.

£1,250,000 which includes the £250,000 received in respect of the sale of the Western Branch, is unallocated and free.

£2,950,000

Including

CT 100  
CT 100.06

13<sup>th</sup> September,  
1933

Including the definite provision made o/a Chitnit there is therefore a total sum of £5,950,000 available to be used as a set-off against the amount which the Bank are carrying (at present £3,375,000) on account of the Anglo-South American Bank and Chitnit under a secret guarantee from the Chancellor. He hopes that it will be possible to set aside out of future profits a further sum sufficient to enable the Bank to take over responsibility at least to this extent, thus releasing the Government from their guarantee, and avoiding the possibility of application having to be made by them to Parliament for authority to implement the guarantee.

+B61.

(67)

CT 192 01

The Governor also raised with the Chief Accountant the position of the Bank in respect of the contingent liability on account of Vickers-Armstrongs Ltd.

It was agreed to recommend to the Court of Directors for submission to the Court of Proprietors 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 20<sup>th</sup> September, 1933.

Present:—

The Governor,

The Deputy  
Governor,

Mr. Grenfell,

Mr. Gladstone,

Mr. Josiah Stamp,

Mr. Andrew  
Bureau.

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

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

The Governor acquainted the Committee of the following matters—

~~1888~~  
CT. 45-01

(1) He laid before them a semi-official letter from Mr. Siepmann to Mr. Rowe-Sutton of the Treasury as to a proposal by the Quai d'Orsay that the Foreign Office should join with them in a diplomatic protest about the probable default on the Young Loan.

(2) He proposed that Professor Clay should go to New York for a fortnight or so at the beginning of November.

CT. 81  
CT. 95

(3) As the Committee were informed on the 2<sup>nd</sup> August, Mr. Hambro will leave the Bank at the end of this month and he has arranged that thereafter the Chief Cashier (who for greater convenience will be domiciled on the ground floor in proximity to the Governors) is to concern himself

20<sup>th</sup> September,  
1933.

himself primarily with all questions relating to gold and exchange: he proposes next week to acquaint the Court of this arrangement.

(4) The Secretary will be going on holiday at the end of this week and he has agreed that while he is away the business of the Committee of Treasury shall be conducted by Mr. [ ] and that of the Court by Mr. [ ].

Wednesday, the 27<sup>th</sup> September, 1933.

Present:-

The Governor,  
Mr. Greenfell,  
Mr. Gladstone,  
Mr. Hambro,  
Sir Andrew Buchanan,  
Mr. Pearce.

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.

It was agreed to recommend to the Court that E. J. Bower, a Cashier, age 65 years on the 30<sup>th</sup> September, be granted, during pleasure and in accordance with the scale, a pension of £600 a year from the 1<sup>st</sup> October inclusive.

The Governor acquainted the Committee of the following matters -

(1) He outlined changes which had recently been made in the management of the Gordon Memorial

27<sup>th</sup> September  
1933

Memorial College so far as it concerns the Executive Committee of which, as Governor of the Bank, he is an ex officio member.

~~1629~~  
CT 180

(2) The death of the late Mr. J. G. Scott had created a vacancy on the Board of the United Dominion Trust. He had agreed that two Officials recommended by Mr. Jarvie should be appointed to the Board (virtually as Managing Directors) and he had asked Mr. Jarvie to take active steps to secure a man of outstanding character who would be acceptable as Mr. Scott's successor.

~~168~~  
CT 37  
CT 95

(3) He had received a recent Report of the Canadian Department of Mines on the gold mining industry in that country and had thus been reminded of the potential Imperial importance of the Canadian output. The findings of the Macmillan Commission now sitting in Canada might have an influence on this subject to which he thought more general attention should be paid.

~~1697~~  
CT 32

(4) The question of the Indian Rupee Ratio was again becoming prominent and he placed before the Committee in strict confidence a memorandum which had reached him through the Imperial Bank of India expounding a policy which was likely to be strongly advocated. The views therein expressed were opposed to those contained in the memorandum which he had placed before the Committee in 1930, but it would be contended that conditions have changed radically since that time.

~~1612~~  
CT 164

(5) With reference to Minutes of the 2<sup>nd</sup> August last, attempts had since been made to obtain from the Oceanic Steam Navigation Company an acknowledgment of their debt and of the fact that they are holding in a fiduciary capacity

money

27<sup>th</sup> September,

1933.

moneys due to the Bank: but without success. These applications had therefore been followed by formal letters to the Oceanic Company and to Shaw, Savill & Albion Co. Ltd., from whom the funds in question are derived, demanding, *inter alia*, the payment of any sums due and the direct remittance to the Bank of any sums which might be due in future, under the Scheme of Arrangement.

CT-171

(b) He had informed Mr. Hodges that so far as the Bank are concerned he is at liberty to become a Member of the Market Supply Committee at the request of the Ministries concerned. This was in keeping with the arrangement recently reached with Mr. Hodges whereby, in anticipation of the termination of his agreement, he had been allowed to accept certain outside appointments and in consequence would receive a smaller fee from the Bank.

LC 50  
CT-41

(c) With reference to Minutes of the 26<sup>th</sup> July last, it appeared that a deadlock had been reached in regard to the disputed claim of some participants in the first B. I. S. Hungarian Credit to certain gold regarded by other parties as held under a Negative Pledge. In his opinion it would be necessary for the Bank and the Bank for International Settlements and the Reichsbank who held similar views to give way if the scheme for consolidating outstanding Central Bank credits was not to be jeopardised and the chance lost of thereby enabling the National Bank of Hungary to regain her mobility and the general position to be reconstructed.

Wednesday, the 4<sup>th</sup> October, 1933.

Present:

The Governor  
Mr. Gladstone  
Sir J. Stamp.

Sir A. Durren  
Mr. Placott

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

It was agreed that an allowance of £60 a year be granted, during pleasure and in accordance with the scale to Mrs [redacted] Widow of [redacted], a Pensioner, formerly a 2<sup>nd</sup> Class Clerk in the Accountants Bank Note Office.

The Governor acquainted the Committee of the following matters -

~~142~~  
CT 28

(1) The Treasury had written to the Bank regarding the wish of the Salvador Government to obtain the services of an expert to advise them on Central Banking matters. The Bank could not directly provide a Government with such assistance, but he read a letter to the Treasury offering, if need be, to lend to them for the purpose one or more suitable members of the Bank Staff, with or without a figurehead, subject to certain conditions.

~~143~~  
CT 15

(2) He also read a letter which had been sent to the National Bank of Roumania advising them of the renewal of their advance for a short

period.

4<sup>th</sup> October, 1933. period, but deprecating its continuance as the gold pledged as security was still being shown as free gold in the Weekly Return of the National Bank. As a similar advance had been granted by the Bank of France and was still outstanding, he had advised Monsieur Moret of the position. He did not expect to receive great support from that quarter, but had felt bound to enter a protest. He had also written privately to Mr. Fraser on the subject.

+ B78.  
CT 100

(3) He outlined to the Committee the principal points from the text of certain proposed alterations in the Reichsbank Law. He had received the text from the Bank for International Settlements, to whom it had been sent by the Reichsbank in accordance with the provisions of the Young Plan, and he had passed a copy to H.M. Treasury. It did not seem probable that difficulty would be created by the other Central Banks represented or that the Bank for International Settlements would wish to exercise its formal powers.

+ D98.  
CT 37-01

(4) He read a confidential telegram received from Mr. Kershaw regarding the Report of the Macmillan Commission, which had been signed but not yet published. It was expected that assistance would be required when the Statutes were being drafted and he proposed to furnish all possible help.

+ C29  
CT 180

(5) In accordance with the Minutes of the 27<sup>th</sup> September, Mr. R. B. Pearson had been appointed a Director of the United Dominion Trust Ltd. He believed no better choice was possible.

4<sup>th</sup> October  
1923

CT 171

(6) With reference to the Minutes of the 27<sup>th</sup> September, he had agreed with Mr. Bischoff that, as from a convenient date in the near future, his employment with The Securities Management Trust would be half-time and his salary reduced accordingly. The engagement would be renewable at the end of six-monthly periods by agreement and during its continuance Mr. Bischoff would, with the Bank's consent, be free to accept other work.

HE 8

CT 37  
CT 95

(7) With reference to the Minutes of the 27<sup>th</sup> September he referred to the difficulties in the way of his obtaining reliable information concerning the ownership &c. of the Canadian Gold Mines and consequently of formulating a definite policy of the Imperial need of which he was firmly convinced. Inquiry might reveal the desirability of bringing about a change of control (which at present was thought to be largely American) if need be with support from the Bank of England.

127

CT 36

(8) The results of the Ottawa Conference were not, in his opinion, comprehensive or complete, but assuming the general and continued acceptance of the Imperial policy underlying the Conference he had been considering the need for and the possibilities of developing and strengthening co-operation amongst Dominion Central Banks, working eventually perhaps, either collectively or individually, through some kind of Advisory or consultative Committee. Such Banks were likely to be five in number. He referred briefly to the peculiarities of the different countries and to the consequent difficulty of securing the appointment as Governors of suitable men of similar outlook and sympathies who would work together for the preservation and the greatest possible development of Imperial monetary co-operation.

Wednesday, the 11<sup>th</sup> October, 1933.

Present :-

The Governor,  
Mr. Grenfell,  
Mr. Shaw,  
Mr. Gladstone,  
Sir Jovialo Stamp,  
Mr. Hambro,  
Sir Andrew Duncan,  
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.

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

A. M. Garrett, a Woman Clerk, age 44 years, service 17 years, who, in the opinion of the Bank Medical Officer is unfit for further service, £76: 10/- a year from the 3<sup>rd</sup> November inclusive.

B. E. Ogier, a Woman Clerk, age 44 years, service 16 years, who, in the opinion of the Bank Medical Officer is unfit for further service, £78: 8/- a year from the 3<sup>rd</sup> November inclusive.

John Pillinger, an Inspector at St. James's Printing Works, age 65 years, service 34 years, £146: 14/- a year from the 29<sup>th</sup> October inclusive.

The Governor acquainted the Committee of the following matters -

11<sup>th</sup> October,  
1933.  
~~L24~~  
~~L223~~  
CT 122.  
CT 50-06

(1) With reference to the Minutes of the 7<sup>th</sup> May 1930 and later, he explained that the profit derived from the issue of the German 5½% Loan, viz., £127,146-11-11<sup>9</sup>/<sub>16</sub>, was still held by the Bank in a suspense account. In his opinion it would now be appropriate, under the Minutes of the 11<sup>th</sup> January 1933, to transfer this amount to Reserve for Contingencies (Chilnet) as a contribution towards a reduction in the contingent liability of the Government on account of their secret guarantee in respect of the Anglo-South American Bank and Chilnet.

~~L2478~~  
CT 100

(2) At the ordinary Monthly Meeting of the Board of the Bank for International Settlements the following matters had been discussed -

(a) The Board had taken note of the proposed alterations in the Reichsbank Law and decided that there was no need to exercise the power to object with which they were provided under the Young Plan; it was generally considered that the alterations were reasonable and proper and likely to enable the Reichsbank to improve the technical position of the market. He personally had agreed with Mr. Fraser that the period of four years for which the President of the Reichsbank would be appointed was too short to permit of continuity of policy: a period of seven or ten years would be more appropriate.

CT 100 05

(b) The profits of the Bank for International Settlements had shrunk to a low figure owing, inter alia, to the withdrawal of deposits, the difficulties affecting the exchanges and the restriction placed upon the Bank by Article LX of its Statutes, under which its operations may be carried out only in gold or gold exchange currencies. The Board had now taken the tardy decision to reduce the number and salaries of the Staff. In connection with these difficulties he proposed to examine the possibility of making a deposit of,

say,

11<sup>th</sup> October, 1933 say, £500,000 in a suitable gold currency such as Dutch florins.

CT 100

CT 100.06

(c) The suggestion had also been made that Central Banks should deposit gold with the Bank for International Settlements for three monthly periods to be lent upon a commission basis to other Central Banks. He felt that the gold would find its way to the Reserves of those countries who were short of note cover and he viewed the proposal with disfavour.

~~10.30~~

CT 41

(d) With reference to the Minutes of the 7<sup>th</sup> June and later it had been agreed, subject to one or two minor details, to consolidate the Central Bank credits to the National Bank of Hungary, including that granted by the Reichsbank, for three years, i.e. until the 18<sup>th</sup> October 1936. The £600,000 gold held as security will be paid over to the First Syndicate by instalments.

~~10.88~~

CT 45.01

(3) With reference to Minutes of the 20<sup>th</sup> September he had taken the opportunity while in Basle to speak to Monsieur Moret who it transpired was not at all anxious, as the Foreign Office had represented, that a diplomatic protest should now be made regarding the default on the Young Loans. They had informed the President of the Bank for International Settlements that they were content to leave the matter in his hands and not to raise it again unless it were necessary to do so in December by reason of a six months' default on the Sinking Fund.

~~10.26~~

CT 15

(4) He had also discussed with Monsieur Moret the question of the advances against gold to the National Bank of Roumania referred to in the Minutes of the 4<sup>th</sup> October. In point of fact the National Bank had during the past week  
further

11<sup>th</sup> October 1933

further reduced their advance from the Bank of England and are understood to have increased their liability to the Bank of France.

CT 115

~~1077~~

CT 38

~~158~~

(5) The Bank have been asked to subscribe to the Austrian Internal Loan in order that the Austrian Government might benefit from an announcement that the issue had the support of an important London institution. He had declared his inability to subscribe to the Loan owing to the existence of the restriction known as the embargo. But it had now been suggested that this obstacle might be overcome if the Bank were to make an indirect subscription to the Loan by surrendering to the Austrian Government a small amount, say £30/40,000, of the 7% International Loan of 1930 and taking in its place, under an exchange guarantee, an appropriate amount of the new issue. Owing to the limited opportunities of redressing the advantageous outcome to the Bank of the Austrian Advance recently repaid, he was anxious to accede to the suggestion if it were practicable, in spite of the uninformed comment which might appear in the Press if the source of the subscription became known.

CT 60 02 ~~158~~

The Committee then heard the Chairman of the Staff Committee who attended at the request of the Governor to inform them of a reported agitation amongst certain sections of the Staff against the recent decision to abolish salary "at risk". Extreme methods such as a direct appeal to the Governor had been advocated but, following upon an interview which Mr. Clegg had granted to the Advisory Council Representatives concerned, they will bring their case before the next meeting of the Council.

Wednesday, the 18<sup>th</sup> October, 1933.

Present:-

The Governor,  
Mr. Greenfield  
Mr. Shaw,  
Mr. Gladstone,  
Mr. Hambro  
Sir A. Duncan  
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.

It was agreed that an allowance of £60 a year be granted, during pleasure and in accordance with the scale, to Mrs. widow of a Pensioner, formerly a 2<sup>nd</sup> Class Clerk in the Dividend Office.

The following were submitted -

- (i) Weekly Reports on Central Banks.
- (ii) Fortnightly Letter to Dominion Central Banks.
- (iii) Monthly Report of the Committee on Advances & Discounts.

The following were submitted and referred to the Court -

- (i) Minute of the Staff Committee recommending appointments, &c.
- (ii) Quarterly Report of the Staff Committee on payments made, &c.

It was agreed to recommend to the Court that the Committee to Consider the Securities of Certain Funds be requested to oversee and report upon the investments of the Sinking Funds of the Guaranteed Colonial and similar Stocks (specified in the attached list) of which the Governor ex officio is a Co-Trustee.

The

18<sup>th</sup> October.  
1933.  
+E#  
CT 81

The list of private telephone lines used by the Foreign Exchange Section was reviewed particularly in regard to the operations conducted by the Bank on behalf of the Exchange Equalisation Account, and it was decided that the line with the Guaranty Trust Company of New York be discontinued.

The Governor acquainted the Committee of the following matters -

+637  
CT 171

(1) Mr. [redacted] who had been employed by The Securities Management Trust as an assistant to Mr. Bruce Gardner, had died after a very brief illness. In all the circumstances he had approved of an ex gratia payment to the widow of a sum equal to her husband's salary for three months.

+699  
CT 181

(2) With reference to the Minutes of the 12<sup>nd</sup> August last Mr. Nigel Campbell, accompanied by Mr. Bruce Gardner, was paying a visit to Manchester on behalf of the Bankers' Industrial Development Company by invitation from the Trade, and with the agreement of Sir Horace Wilson, to ascertain by what means and to what extent it might be possible to rationalise the Lancashire Textile Industry. Promises of co-operation had been received from every Clearing Bank and every other Bank concerned with the industry.

+6103  
CT 164

(3) With reference to the Minutes of the 27<sup>th</sup> September last, he read a letter from the Oceanic Company acknowledging that the Company held monies amounting to £126,577 which should properly have been paid over to the Bank in reduction of the advance but stating that it was quite impossible for any part of that sum

18<sup>th</sup> October.  
1933.

sum to be paid over if the Company was to continue in operation. The Company would also be unable to dispense with the share of the profits from the four motor vessels of Shaw, Savill & Albion which the Bank had instructed that Company to pay over direct.

Having thus obtained an acknowledgement of the debt he proposed in the circumstances, and in view of the moratorium, to take no immediate action.

He was assured that the Banks of England were amply secured so far as the original loan is concerned, the assets being outside the Oceanic Company.

1677  
CT. 115

(4) With reference to the Minutes of the 28<sup>th</sup> September 1932 and later, he submitted a draft of a memorandum upon the need for political reasons of replacing the so-called Embargo by some more formal machinery - if need be by legislation. Pending de jure stabilisation it was essential to be able if necessary to control the export of capital: complete control might be impossible even through legislation but it was necessary to ascertain what was desirable and how much was possible.

Mr Clegg then attended and explained that owing to the rebuilding operations no suitable place now remained in which to hold an Armistice Day Service within the Bank as in former years, and it was decided that the practice of holding such a service be discontinued.

Wednesday, the 25<sup>th</sup> October 1933

Present:-

A full  
Committee

The proceedings of the last Committee were read and agreed.

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

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

The following were submitted -  
Weekly Reports on Central Banks

Draft Minutes of the October Meeting of the Board of the Bank for International Settlements.

It was agreed to recommend to the Court of Directors -

(a) That in response to a special appeal, the Leeds Branch be authorised to make a donation of 100 guineas to the General Infirmary at Leeds.

(b) That Pensions, during pleasure and in accordance with the scale, be granted to the following persons:-

(i) Walter Ager, a Sub-Cashier: age 65 years on the 31<sup>st</sup> October: service 44 years: £566:13:4 a year from the 1<sup>st</sup> November inclusive.

(ii) C. A. Jones, a 3<sup>rd</sup> Class Clerk in the Cashier's Department and Branches, age 36 years: service 13 years, who in the opinion of the Bank Medical Officer is unfit for further service, £109:4:- a year from the 1<sup>st</sup> November inclusive.

(iii) J. S. Facott

25<sup>th</sup> October, 1932.

(iii) J. J. Jacott, a 3<sup>rd</sup> Class Clerk, in the Accountants Department, age 34 years, service 14 years, who in the opinion of the Bank Medical Officer is unfit for further service, £120 <sup>6</sup>/<sub>8</sub> a year from the 1<sup>st</sup> December inclusive.

HE  
CT 71

The Governor stated that he had been invited to become one of the members of a small exploratory Committee to advise Mr. Baldwin and the Cabinet upon the continued provision by the Government of financial aid for the Industrial Research Associations. The matter was discussed and the view being expressed that acceptance might in certain eventualities create difficulties vis-à-vis the Chancellor the Governor said he would endeavour to arrange for the invitation to be withdrawn.

The Governor acquainted the Committee of the following matters -

HE  
CT 95

(1) He gave the result of enquiries he had made regarding the estimated amount of gold hoarded in France and Switzerland and compared the figures with the estimate for this Country.

HE  
SEP 10

(2) He had been asked what attitude the Bank would adopt towards a scheme for the establishment under properly appointed trustees of a non-political fund to finance propaganda in opposition to any proposals for the general nationalisation of industry, commerce and banking. Those who have the matter in hand desire, before taking any active steps, to assure themselves that the Bank would raise no objection to the appointment as trustees of such a fund of persons of high standing in the City.

He

25<sup>th</sup> October  
1933

He proposed in reply to say that, whilst the Bank could not give practical support to such a scheme, they would welcome any effective steps that might be taken with the object of educating public opinion on the whole subject of nationalisation, and the Committee approved of his proposal.

In pursuance of an Order of Court of the 13<sup>th</sup> October 1932, the Committee considered the question of the Selection of Governors for the ensuing year, and they agreed to recommend to the Court that the Right Honourable Mortagu Collet Norman, J. S. O., and Sir Ernest Musgrave Harvey, Bart., K. B. E., be invited to allow their names to be submitted to the Proprietors in April next for election to the Offices of Governor and Deputy Governor respectively.

Wednesday, the 1<sup>st</sup> November, 1933.

Present :-

at full Committee

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 and the Fortnightly Letter to Dominion 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 <sup>recommend to</sup> the Court of Directors -

(1) That Pensions be granted, during pleasure and in accordance with the scale, to the two following persons :-

A. G. Larcombe, A Superintendent in the  
Power of Attorney Office:  
age 64 years: service 44 years:  
£490 a year from the 1<sup>st</sup>  
February next inclusive.

Benjamin Whiteside, An Auxiliary Male Clerk:  
age 65 years on the 5<sup>th</sup> November:  
£135 a year from the 6<sup>th</sup>  
November inclusive.

Also that Maurice Wilson, an Auxiliary Male Clerk, age 40 years, service 14 years, salary

£400

£400 a year, who has tendered his resignation on account of ill-health and who, in the opinion of the Bank Medical Officer, is unlikely to give further satisfactory service, be allowed to retire and be granted a pension equal to full salary for 3 months from the 19<sup>th</sup> November inclusive, and thereafter of £126 a year during pleasure and in accordance with the scale.

(2) That Mr Martin be appointed a Member of the Committee on the Re-building of the Bank in the room of Mr Shaw.

The Committee had before them an Appeal from the Chairman of the Westminster Hospital for a donation towards a Fund now being raised for the re-building of that Hospital. The Committee agreed that the request be granted, but that consideration of the amount of the donation be deferred until the next Meeting.

The Governor acquainted the Committee of the following matters -

~~1.633~~

CT. 122.

(1) He read a letter from Sir Bertram Hornsby expressing his desire to resign the post of Chairman of the Anglo-South American Bank during the ensuing year. In his opinion steps should be taken to find a successor to Sir Bertram Hornsby as soon as possible and he asked the Committee to assist him in finding a suitable person.

CT 115

~~1.644~~

~~1.63~~

CT 38.

(2) As the Austrian Internal loan was over-subscribed it had not been found necessary to give effect to a Minute of the 11<sup>th</sup> October agreeing that the Bank should assist the Austrian Government by surrendering a small amount of the 7% International loan of 1930 and taking, in its place an appropriate amount of the new issue.

Wednesday, the 8<sup>th</sup> November 1932.

Present :-

The Governor

The Deputy Governor

Mr. Greenfell

Mr. Gladstone

Sir Josiah Stamp

Mr. Hambro

Sir Andrew Duncan

Mr. Penrose

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 Quarterly Report of the Committee to consider the Securities of certain Funds was submitted and referred to the Court.

With reference to the last Minutes, it was agreed to recommend to the Court that the amount of the Bank's donation to the Westminster Hospital Rebuilding Fund should be £2,000 payable in seven annual instalments and subject to the appropriate deductions on account of Income Tax.

The Committee had before them an appeal for a donation from Mr. [redacted] who is presiding this year at the Annual Festival Dinner of the London Orphan School, Watford. It was agreed to recommend to the Court that a donation of £105 be made on the understanding that the Bank's name should not appear on Mr. [redacted] list of donors.

It was agreed that the Allowance of £26 a year which was granted in November 1932 to each of the Misses [redacted] daughters of [redacted] of [redacted]

8<sup>th</sup> November  
1933

of formerly Chief Clerk in the  
Chief Accountant's Office, he renewed for a  
further year

Thursday, the 9<sup>th</sup> November, 1933.

Present: —

The Governor

The Deputy Governor

Mr. Greenfell.

Mr. Gladstone.

Mr. Hambro.

Sir A. Duncan.

Mr. Pearce.

With reference to the Minutes of the 11<sup>th</sup> October 1933, the Governor informed the Committee that since yesterday's Meeting, he had learnt from Mr. Porters that the question of an alteration of Article XXI of the Statutes of the Bank for International Settlements was likely to arise at the forthcoming Meeting of the Board and he wished to acquaint them with the action which he himself proposed to take.

He read to the Committee a letter on the subject which he had recently addressed to the President of the Bank for International Settlements and pointed out that three alternatives are being suggested —

- (1) To alter Article XXI as to give the Bank a general power to operate in any currency — gold or otherwise.
- (2) To base the Bank's operations on some gold measure (e.g. gramme) and discontinue all transactions in currencies as such.
- (3) To continue the business of the Bank on the existing basis of Article XXI.

He was of opinion that the Bank should continue to operate in the terms of Article XXI.

Certain incidental questions will also arise —

1. Hitherto the Bank have granted a uniform rate of interest for all currencies deposited: it

has

7<sup>th</sup> November,  
1933

has become evident that this is no longer practicable, and that the President should fix a rate suited to the conditions of each particular gold standard market.

CT 100.02

2. The President is disturbed at the discredit which in his view is thrown on the Bank, by the low quotation in the shares of the Bank on the Paris Bourse, which is the only public quotation.

3. Much of the money deposited with the Bank by various Treasuries has been employed in Germany and must therefore be regarded as frozen.

4. The Bank can only hold gold currencies and at present French francs is the only gold currency which is available in any quantity.

Wednesday, the 15<sup>th</sup> November, 1933.

Present:—

A full Committee and 9<sup>th</sup> November 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:—  
Weekly Reports on Central Banks  
Fortnightly Letter to Dominion Central Banks  
Report of the Committee on Advances and Discounts on the Discount Business of the Bank and on Special Advances.

A

15<sup>th</sup> Nov 1933

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

It was agreed to recommend to the Court that A. Sawson Jones, a Senior Clerk in the Transfer by Seed Office, age 61 years, service 42 years, be granted a pension of £454:6:8 a year during pleasure and in accordance with the scale from the 14<sup>th</sup> February next inclusive.

The Governor acquainted the Committee of the following matters :-

1878  
CT 100  
CT 100.05

(a) At the Board Meeting of the Bank for International Settlements on Monday the following matters to which he referred on the 9<sup>th</sup> instant were discussed and it was agreed, without a definite resolution,

1. To continue the business of the Bank on the basis of Article XXI.
2. While not abandoning in principle the "uniform rate" of interest, to authorise the President to fix rates temporarily suited to the conditions of each particular gold-standard market.
3. To recognise that about one-half of the assets of the Bank for International Settlements are now in Reichsmarks and one-half in Francs, with the resulting risk in the event of depreciation.

(b) He had hoped that Mr. Harrison would have been able to arrange to go as a Director to Basel in the near future, but the consent of Washington no longer seems likely to be forthcoming.

(c) Until now he had also hoped that Mr. Fraser would have become a member of the Financial Committee of the League of Nations and that Dr. Schacht would also have nominated a representative to serve on that Committee, but  
Germany's

15<sup>th</sup> November,  
1933.

Germany's recent withdrawal had rendered this impossible.

Office File  
P52

LA 114

(d) Two personal questions now need determination; firstly, that of Mr. Bark in connection with the future of the Anglo-International Bank, (about which he gave an outline of a cold storage plan now pending) and secondly that of Mr. Porters in connection with the future of the Bank for International Settlements.

CT 100.04

LB 78

Office File  
P52

LA 114

Mr. Bark continues to have good claims on the Bank for past and present services, both explicit and implicit. He is still a vital and exclusive officer of the Anglo-International Bank, and is entitled to continuous financial support from the Anglo-International Bank (while it lasts) and from the Bank of England for the maintenance of his dependents as well as himself.

CT 100.04

LB 78

The case of Mr. Porters is rather different, but there also the Bank have a direct obligation. It is difficult to dissociate the Bank for International Settlements entirely from the Bank of England: Mr. Porters went to Basel at our request and on our nomination, having previously spent some months with us in preparation for his work at the Bank for International Settlements, where he has been regarded as having been seconded from our Staff as our representative. Practically every member of the higher Staff of the Bank for International Settlements has the right to return to or be cared for by the Central Bank of his own country, and he feels that if Mr. Porters should at any time leave the Bank for International Settlements we have a definite obligation to provide him with financial support and other suitable work.

Wednesday, the 22<sup>nd</sup> November, 1933.

Present:-

A full Committee

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 and the Draft Minutes of the November Meeting of the Board of the Bank for International Settlements were submitted.

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 -

F. G. Ager, Agent of the Liverpool Branch, Age 60 years. Service 40 years. Salary £2700 a year. Pension £1620 a year from the 1<sup>st</sup> March next inclusive.

J. H. Luson, a 1<sup>st</sup> Class Clerk in the Dividend Accounts Office. Age 61 years. Service 39 years. Salary £700 a year. Pension £410.13.4<sup>d</sup> a year from the 1<sup>st</sup> March next inclusive.

The Governor acquainted the Committee of the following matters -

~~1075~~  
CT. 123

- (1) With reference to the last and earlier Minutes, he laid before the Committee a letter which he had written to the Chairman setting out the future policy of the Anglo-International Bank and the

22<sup>nd</sup> Novr, 1933 the questions still outstanding.

+ 189  
CT 35.

(2) With reference to the New Zealand Central Banks Act, clause 15 of which provides for the transfer to the Reserve Bank of all the gold held by the Trading Banks (the profit going to the New Zealand Government), he had received from the three Trading Banks in New Zealand whose Head Offices were in London a copy of a telegram of protest which they had sent to the Finance Minister. These Banks joined in the general objection made by the New Zealand Banks to the rate at which their gold was to be taken over and made the particular claim that they should at least receive payment for their gold in sterling. In thanking the Banks for showing him this telegram he had said that it did not appear reasonable to expect the Finance Minister to discriminate in favour of Overseas Banks who have for their own reasons chosen to keep their accounts in Sterling.

CT 70.04

He referred to paragraph 14 of the Regulations for Directors which provides that Members of the Court shall decline invitations to join the London Boards of Overseas 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, and pointed out that two Members of the Court are Directors of one of the above Banks to which this Rule may now be deemed to apply.

+ 189  
Historical  
Records.

(3) He has authorised the purchase of a pair of silver candlesticks by Thomas Allen dated 1694 and has also agreed that the Bank shall bid up to £210 for a Portrait by M. Dahl of Charles Montagu, 1<sup>st</sup> Earl of Halifax.

The

22<sup>nd</sup> Nov<sup>r</sup>

1933

LE 10  
Office File  
MSB.

The Governor also informed the Committee that he was expecting a visit from Lord Macmillan who wished, inter alia, to ask advice as to the best method of securing financial support from the Banks for London University. It was agreed that the present moment was inopportune for approaching the Banks and that in any event Lord Macmillan should first enlist the interest and support of a leading Banker in making any such appeal.

Wednesday, the 29<sup>th</sup> November, 1933.

Present:—

A full Committee

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

The following were submitted and referred to the Court—

Minute of the Committee on St. Luke's in regard to the salary of the General Works Manager at St. Luke's Printing Works.

Annual Report of the Committee on St. Luke's on the Administrative Staff of St. Luke's Printing Works.

It was agreed to recommend to the Court of Directors that a pension of £756:9/- a year be granted during pleasure and in

accordance

29<sup>th</sup> Nov. 1933 accordance with the seal to George Mackenzie,  
Principal of the Power of Attorney Office,  
from the 1<sup>st</sup> March 1934 inclusive.

The Governor acquainted the Committee  
of the following matters -

~~L878~~  
CT 37-01

(1) With reference to Minutes of the 2<sup>nd</sup> August  
last, he has now ascertained from Lord  
Macmillan that Kershaw and Fisher assisted  
him in a personal capacity in his work on  
the Canadian Royal Commission and that  
it would not be wise, nor indeed possible,  
to obtain repayment of their expenses from  
the Canadian Government: he has therefore  
arranged for this amount to be paid by  
the Bank.

~~L880~~  
CT 70  
7 SEC. 2.

(2) Professor Clay, who has been in America on  
behalf of the Bank and is now on his way  
home, has told him that Sir Basil Blackett's  
book "Planned Money" is said to have greatly  
influenced President Roosevelt.

~~L814~~  
Office File  
PS2

(3) With reference to the last Minutes as to  
Mr. Bark, he has had a visit from the Chairman  
of the Anglo-International Bank who said  
with evident sincerity that he wondered if  
Mr. Bark was being treated as liberally as  
he deserved. He assured the Chairman that  
at the appropriate time Mr. Bark's claims  
and needs would again be considered.

~~L889~~  
CT 35

(4) He yesterday received a cable from the  
New Zealand Government requesting the  
advice and assistance of the Bank of England  
regarding the appointment of a Governor for  
the Reserve Bank of New Zealand and he  
hopes shortly to make a definite recom-  
mendation.

29<sup>th</sup> Novr.  
1933

(5) J. G. Conolly, of the Chief Cashiers Office, who has been for some time seconded for service with the Bank for International Settlements now has reason to believe that a permanent position with that Bank may be offered to him. Conolly would wish to accept such invitation, but is concerned as to the loss of pension rights in respect of his 14 years of service with the Bank of Ireland.

In this connection the Committee agreed as a general principle that any member of the Staff of the Bank who left the Bank of England with their approval and consent in order to take up a permanent position with another Central Bank should be allowed an appropriate sum in commutation of any pension that might be granted to him by the Court.

ET 60 06

Wednesday, the 6<sup>th</sup> December, 1933.

Present:-

The Governor,  
The Deputy Governor,  
Mr. Greenfell,  
Mr. Gladstone,  
Mr. Hambro,  
Sir Andrew Duncan,  
Mr. Placoch.

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

The Governor acquainted the Committee of the following matters -

~~1589~~  
CT 35 (1) With reference to the last Minutes he read to the Committee a cable which he sent yesterday to the Government of New Zealand recommending Mr. Leslie Lefebvre for appointment as the first Governor of the New Zealand Reserve Bank.

~~1589~~  
CT 70  
+ SEC 2 (2) He called the attention of the Committee to a Report in the 'Times' of the 1<sup>st</sup> December of a recent speech by Sir Basil Blackett at Singapore criticising the British Government for their inaction in raising prices and approving President Roosevelt's policy.

CT 70-03. ~~1589~~ (3) Mr. Trotter has accepted new appointments which will render it difficult for him to continue at the Bank and has expressed the view that in the circumstances he should

6<sup>th</sup> December,  
1933.

should perhaps retire from the Court next April.

Ad.

The Committee agreed that the Governor should tell Mr. Trotter that the Members of the Court would greatly regret his withdrawal, ~~but that they would greatly regret his withdrawal~~ but that they would fully understand if he should decide not to offer himself for re-election at the end of his present year of office.

The question of Candidates to fill this vacancy and others that may shortly occur was then discussed.

1839  
Historical Records

(4) He has arranged that the Bank shall endeavour to purchase three casters of 1694 which are about to be sold by auction.

Wednesday, the 13<sup>th</sup> December, 1933.

Present:—

at full Committee

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

A Report of the Committee on St. Luke's in regard to the design for the face of the alternative £1 Bank Note was submitted and referred to the Court.

The

13<sup>th</sup> Dec<sup>r</sup> 1933.

The Committee had before them a letter from E. A. Hudson, a 3<sup>rd</sup> Class Clerk in the Accountants' Department, tendering his resignation on account of continued ill-health. Hudson is 30 years of age and has completed 12 years' service.

The Bank Medical Officer is of opinion that Hudson will not again render efficient service and it was agreed to recommend to the Court of Directors that Hudson's resignation be accepted and that he be granted a pension of £100 : 17 : 4 a year during pleasure and in accordance with the scale from the 15<sup>th</sup> December inclusive.

The Governor acquainted the Committee of the following matters -

~~100~~  
ex. 35

(1) With reference to the last and earlier Minutes, Mr. Lefaux has now been accepted as the first Governor of the New Zealand Reserve Bank subject to satisfactory arrangements as to salary, &c.

CT 167. ~~100~~ 100.  
\* This did not become effective, as suitable accommodation was subsequently found for the League Loans Committee at No 1, Bank Buildings, which is now their permanent home.  
16<sup>th</sup> April 1934  
(Governor informed)

(2) \* Owing to the rebuilding and consequent re-organisation of certain Offices the League Loans Committee have accepted an offer by the Bank of accommodation at No 4 Lombard Street in place of their present Office in Bank Buildings.

(3) Mr. Kershaw is going to India in January to visit the Imperial Bank of India.

~~100~~  
CT 70.03

(4) With reference to the last Minutes he has now received a letter from Mr. Trotter stating that he wishes to resign from the Court at the end of the current year.

(5) He

13<sup>th</sup> Dec<sup>r</sup>.  
1933.

(5) He has just returned from Basle, where on this occasion there was little business and no controversial questions arose.

+E+

CT60.02.

The final Report of the Special Committee on Economy was laid before the Committee and consideration thereof was deferred until next week.

The Staff Director then attended the Committee and submitted recommendations from the Staff Committee for appointments &c. which were approved and referred to the Court.

+E+  
CT54

He also submitted a Report on the result of six months working of the extension of the system of loose-leaf cards for Stocks Accounts in the Accountants' Department which was authorised provisionally by the Committee on the 17<sup>th</sup> May last. This Report revealed advantages both as to security and economy over the old system of Stock Ledgers and it was agreed to recommend to the Court that the system of loose-leaf cards be adopted and that it be extended to include eventually, where practicable, all Stocks Accounts kept by the Accountants' Department.

Wednesday, the 20<sup>th</sup> December 1933

Present:—

The Deputy Governor,  
Mr. Grenfell  
Mr. Shaw  
Mr. Gladstone  
Sir Josiah Stamp  
Mr. Hambro  
Sir Andrew Duncan  
Mr. Peacock.

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 -  
Weekly Reports on Central Banks.

Monthly Report of the Committee on Advances & Discounts.

Draft Minutes of the December Meeting of the Board of the Bank for International Settlements.

A letter from Mr. Kitson requesting permission to join the Board of John Dickinson & Co. Ltd. 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 -

(a) H. W. Swears, a 1<sup>st</sup> Class Clerk in the Power of Attorney Office: age 65 years on the 26<sup>th</sup> December: service 45 years: Salary £700 a year. Pension £466: 13: 4<sup>d</sup> a year from the 27<sup>th</sup> December inclusive.

(b) A. E. Middleton, a Foreman at St. Luke's Printing Works: age 65 years: service 45 years: Wages £429 a year. Pension £286 a year from the 31<sup>st</sup> December inclusive.

With

20<sup>th</sup> December,  
1933

With reference to Minutes of the 29<sup>th</sup> November, the Committee had before them a letter from F. G. Conolly, a 1<sup>st</sup> Class Clerk in the Chief Cashier's Office, in which he requested permission to leave the service of the Bank as from the 31<sup>st</sup> December in order to accept an appointment which has been offered him with the Bank for International Settlements.

Conolly is 34 years of age, he has completed 14 years' service and if pensioned according to the scale he would receive £141.17.4 a year.

The Committee considered that this case was one which came within the scope of the Minute referred to above and it was agreed to recommend to the Court that Conolly's resignation be accepted and that he be granted on quitting, a sum of £1750.

†E1  
CT 60102  
CT 64

The Final Report of the Special Committee on Economy was discussed. It was agreed that a draft of a scheme for an "unauthorised" Trust Fund for Pensions be prepared for the consideration of the Committee, and that meanwhile further consideration of the Report be deferred.

Wednesday, the 27<sup>th</sup> December, 1933.

Present:—

The Deputy Governor  
Mr Gladstone,  
Sir Josiah Stamp,  
Sir Andrew Duncan,  
Mr. Peckover.

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 Fortnightly letter to Dominion Central Banks was submitted.

It was agreed to recommend to the Court of Directors -

(1) That permission be granted to Sir Robert Kindersley to join the Board of J. Pearson & Son, Ltd.

(2) That a Pension of £600 a year be granted during pleasure and in accordance with the scale from the 5<sup>th</sup> January next inclusive to V.C. Pilius, a Cashier, who will attain the age of 65 years on the 4<sup>th</sup> January.

~~16.89~~  
CT.35.

With reference to Minutes of the 13<sup>th</sup> December and earlier as to the appointment of Mr. Leslie Lepeaux to be the first Governor of the Reserve Bank of New Zealand, the Committee had before them a letter from Mr. Lepeaux stating, that he had now received an invitation from the Government of New Zealand and asking to be allowed to retire from the service of the Bank in order to take up this appointment.

It was agreed to recommend to the Court of Directors that Mr. Lepeaux be permitted to accept this invitation, that his resignation be accepted as from the date when his new appointment

27<sup>th</sup> December,  
1933.

appointment takes effect and that he be granted as from that date a pension of £1,993:6:8 a year calculated according to the scale as if he had attained the age of 60, such pension to be commuted for a single payment of £34,000, the approximate sum necessary to purchase an annuity of that amount.

It was further agreed to recommend that the right be reserved to reinstate Mr Lejeaux at a nominal salary in his present or any other official position in the event of his returning to London at the end of his appointment in New Zealand.

HEI.

CT64

With reference to the last Minutes some notes on an "unauthorised" Trust Fund for Pensions were furnished for consideration by the Committee when the Final Report of the Special Committee on Economy is next discussed.

Wednesday, the 3<sup>rd</sup> January, 1934.

Present:—

The Governor.

The Deputy Governor.

Mr. Gladstone.

Mr. Josiah Stamp.

Mr. Hambro.

Mr. Andrew Duncan.

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 alterations be recommended in the Bank Rate.

The Weekly Reports on Central Banks were submitted.

An application from Mrs. [redacted] a Pensioner, formerly Chief Clerk at the Western Branch, for a Compassionate Allowance was considered. It was agreed that as Mrs. [redacted] was married after her husband retired from the Service she had no claims on the Bank and her request was accordingly refused. The Governor stated, however, that in view of her present need he proposed to grant her £50 from the Samaritan Fund.

It was agreed to recommend to the Court of Directors —

(1) That a pension of £412 : 10/- a year be granted during pleasure and in accordance with the scale from the 6<sup>th</sup> April next inclusive to W. E. Clutterbuck, a 1<sup>st</sup> Class Clerk in the Bill Office, who will attain the age of 60 years on the 5<sup>th</sup> April.

(2) That the pension granted in March 1899 to [redacted] a 2<sup>nd</sup> Class Clerk in the Power of Attorney Office, which since that time has been

3<sup>rd</sup> January 1934

been paid to his wife, Mrs. [redacted] subject to the production from time to time of evidence that he is alive - be discontinued as from the 28<sup>th</sup> February next as this evidence can no longer be produced, and that Mrs. [redacted] be granted thereafter an Allowance of £50 a year during pleasure and according to the scale of Allowances payable to Widows.

~~HE 12~~ (3) That in accordance with an Order of Court of  
CT 117 01 the 1<sup>st</sup> December 1921 permission be granted to the [redacted] to open an account in the

Drawing Office subject to the receipt of a satisfactory undertaking, to conduct their banking arrangements in this market so far as possible exclusively with the Bank of England; also that similar permission be granted to the [redacted] which, although not a Central Bank in the strictest sense, performs the functions of a Central Bank in [redacted] so far as is possible under present conditions.

The Governor acquainted the Committee of the following matters -

~~1364~~ (i) With reference to Minutes of the 1<sup>st</sup> October 1930 and earlier, he has agreed, together with the Bank of France and the Reichsbank, to second a  
CT 100 04  
CT 60 10 Member of the Staff to the Bank for International Settlements for a maximum period of six months. If this experiment is successful he proposes to continue to second Members of the Staff in this way. The salaries of any men so lent will be paid by the Bank of England, while the Bank for International Settlements will pay them in addition a special subsistence fee.

(ii) At the

3rd January 1934

LE13  
CT 71-03

(11) At the time of the issue of the Nyasaland Government 4½% Guaranteed Stock, 1952/7'2 he agreed, at the request of the Chancellor, to act as one of the Sinking Fund Trustees in conjunction with the Permanent Secretary to the Treasury and the Permanent Under-Secretary of State for the Colonies and he has now agreed to act in a similar capacity for their new issue of 3% Guaranteed Stock,

LET  
CT 64

With reference to the last Minutes the Committee approved the employment of legal and actuarial assistance for the drafting of a form of Trust Deed creating an "unauthorised Trust Fund" and for the making of the necessary actuarial calculations incidental thereto in order that such a Fund may be established without delay in the event of the Court approving the relative recommendation in the Final Report of the Special Committee on Economy

Wednesday, the 10<sup>th</sup> January, 1934.

Present:—

The Governor.  
The Deputy  
Governor.  
Mr. Granfell  
Mr. Gladstone  
Sir J. Stamp  
Mr. Hambro  
Sir A. Duncan  
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 and the Fortnightly Letter to Dominion Central Banks were submitted.

It was agreed to recommend to the Court of Directors—

(i) That permission be granted to Sir Josiah Stamp to join the Boards of the following Companies:—

Norman V. Box Limited  
Robert Hall Limited  
John Smither & Son Limited  
London Traction Haulage Company Limited.

(ii) That pensions be granted during pleasure and in accordance with the scale to the following persons:—

- (a) W. J. Weeks, a House Porter and Watchman at the Manchester Branch, age 64, service 36 years, wages £258 : 18 : 4 a year.  
Pension £158 : 16 : — a year from the 3<sup>rd</sup> February inclusive.
- (b) J. L. Hills, a Foreman at St. Luke's Printing Works, age 60, service 30 years, wages £494 a year, who had tendered his resignation on account of ill-health and in the opinion of the Bank Medical Officer was unlikely to be fit to render further service. Pension £220 : 10 : 8 a year from the 4<sup>th</sup> February inclusive.

The

10<sup>th</sup> January

1934.

~~HEH~~Office File:  
P52.

Ad.

The Governor acquainted the Committee of the following matters -

(1) With reference to Minutes of the 29<sup>th</sup> November and earlier, last, the Chairman of the Anglo-International Bank had made a proposal as to Mr. Bark's remuneration for 1934 which had drawn from a member of the Committee of that Bank a threat of resignation on the ground that it was on too generous a scale. In order to adjust the difference he had written a letter to the Chairman thanking him for the consideration which had been proposed for Mr. Bark and at the same time admitting that the scale may need to be reconsidered next year.

(2) Nothing of interest had occurred at the Monthly Meeting of the Board of the Bank for International Settlements except that, contrary to expectation, Mr. McGarrath had been present.

HEH  
or 54

The Committee gave authority for the mechanisation of the work in connection with the preparation and issue of Dividend Warrants, which had been recommended in principle by the Special Committee on Economy.

Thursday, the 11<sup>th</sup> January 1934

Present :-

The Governor,  
The Deputy  
Governor,  
Mr. Greiffell,  
Mr. Gladstone,  
Sir Josiah Stamp,  
Mr. Hambro  
Sir A. Duncan  
Mr. Peacock.

~~HE 15~~  
CT 45 01

The Governor asked the Committee to consider the situation which has arisen between the British holders of long-term German loans and the Reichsbank consequent upon the reduction from 50% to 30% of immediate sterling payments in respect of interest on such loans. He explained incidentally that the Reichsbank had in this matter merely acted as the mouthpiece of the German Government who alone were responsible for the decisions which had been announced. He feared that the attitude of those representing the Bondholders and the pressure which was being brought to bear in Whitehall would if continued result in the establishment of an Anglo-German Clearing Office which must constitute a serious obstacle to general trade. It seemed essential that some method should be found of abating this pressure and to achieve this it was necessary that some arrangement should be made to ameliorate the lot of the Bondholders. He had three objects in view -

- (1) To avoid the dangers which would be involved in the establishment of a Clearing Office;
- (2) To allow time for tempers to cool and to permit of temperate discussion of the position, and
- (3) To afford an opportunity for establishing some arrangement under which the Bondholders could be represented by a small Committee armed with authority to negotiate on their behalf.

He had discussed the subject with Dr. Schacht at Basle and now asked the Committee for their approval in principle of the following suggestion

1. The

11<sup>th</sup> January,  
1934.

- (1) The Bank of England to be prepared for a maximum period of two years to purchase from holders at, say, 90% of their face value the coupons as they mature on all long-term sterling German Bonds issued and quoted in London except those of the Dawes, Young and Potash Loans; such offer not to apply to any issue <sup>which</sup> is in default in regard to the provision in reichsmarks of the total sum required to meet the relative interest payments: sinking fund payments being ignored.
- (2) The Bank of England to be reimbursed in sterling by the Reichsbank to the extent of the percentage which the Germans have undertaken to provide in sterling.
- (3) The balance of sterling provided by the Bank of England to be covered by that portion of the interest which was provided in reichsmarks and not transferred, such balances to be transferred later as and when circumstances may permit.
- (4) A letter to be written by the Reichsbank to the Bank of England undertaking to use their best endeavours, but without definite legal commitment, to secure the transfer of these outstanding mark balances.
- (5) The offer by the Bank of England to be from half-year to half-year or other period up to a total maximum of two years, its renewal in any half-year being contingent upon the maintenance of full interest payments in sterling on the Dawes, Young and Potash Loans, and in marks on other Loans.
- (6) The whole arrangement to be subject to no objection being raised thereto by the Chancellor of the Exchequer.

It is estimated that the total annual sum which the Bank of England would be required

11<sup>th</sup> January,  
1934

required to provide under this arrangement would be about £700,000 or, say, £500,000 net after deduction of the 20% at present transferable under the latest decision announced by the Reichsbank.

Every endeavour would be made to arrange for the deposit of Bonds with a Committee representing the Bondholders, such deposit to be made in terms which would confer on the Committee power to negotiate with Germany on behalf of the Bondholders.

He would hope later to invite the Dutch to adopt a similar plan.

After discussion the Committee agreed in principle to the Governor's suggestion.

Wednesday, the 17<sup>th</sup> January, 1934.

Present:-

The Governor  
The Deputy Governor  
Mr. Grouffell  
Mr. Gladstone  
Mr. Hambro  
Mr. Peacock

The proceedings of the Meetings on the 10<sup>th</sup> and the 11<sup>th</sup> instant were read and approved.

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 -  
Weekly Reports on Central Banks.

Monthly Report of the Committee on Advances & Discounts.

Draft Minutes of the January Meeting of the Board of the Bank for International Settlements.

The following were submitted and referred to the Court -

Minute

17<sup>th</sup> January, 1934.

Minute of the Committee on Advances and Discounts recommending the opening of a Discount Account.

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

Report of the Staff Committee on payments made during the Quarter, &amp;c.

Proposals for dates for General Courts for a Dividend and for the Election of Governors &amp; Directors for the ensuing year.

HE 15

CT 45-01

With reference to the Minutes of the 11<sup>th</sup> instant as to suggestions for dealing with coupons on German long-term Sterling loans issued and quoted in London, other than the Sawes, Young and Potosh loans, the Governor informed the Committee that contact had not yet been established with the Chancellor, but that the basis of a satisfactory arrangement with the Reichsbank had been reached. The Income Tax question, which is most complicated, is now being discussed with the Inland Revenue Authorities.

Wednesday, the 24<sup>th</sup> January, 1934.

Present:—

The Governor.

The Deputy Governor.

Mr. Grenfell

Mr. Gladstone

Mr. Hambro

Mr. Peacock

The proceedings of the last Committee were read and approved.

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

The

24<sup>th</sup> January  
1934

The following were submitted and referred to the Court -

Quarterly Report of the Audit Committee.

Quarterly Report of the Staff Committee with "overs" and "shorts"

CT 60-02

Report of the Staff Committee, as to the basic salaries and money at risk of the Senior Bankers.

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

- (a) C. E. Phillips, House Porter and Watchman at the Plymouth Branch: age 65 years on the 26<sup>th</sup> January, service 32 years, wages £248:19:- a year. Pension £139 <sup>8</sup>/<sub>4</sub> a year from the 27<sup>th</sup> January inclusive.
- (b) J. Chaplin, Deputy Foreman of Bank Note Stampers: age 61, service 44 years, wages £248:19:- a year, scale pension £152:13:8 from the 5<sup>th</sup> March inclusive.

HE 15

CT 45-01

With reference to the last and earlier Minutes, the Governor read to the Committee a letter as agreed by the Chancellor which he had written to Dr. Schacht stating that in view of the discussions now taking place between the British and German Governments the proposed arrangement for dealing with coupons on German long-term Sterling loans issued and quoted in London should not at present be proceeded with.

Wednesday, the 31<sup>st</sup> January, 1934.

Present :-

The Governor,  
The Deputy Governor,  
Mr. Gladstone,  
Sir Josiah Stamp,  
Mr. Hambro  
Sir Andrew Duncan  
Mr. Peacock

The proceedings of the last Committee were read and approved.

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 Quarterly Report of the Committee to consider the Securities of certain Funds was submitted and referred to the Court.

The Governor acquainted the Committee of the following matters -

(1) The Lord Mayor is about to issue an appeal for Funds to relieve the distress caused by the recent Earthquake in India. The matter will be discussed at the Meeting of the Committee of Clearing Bankers to-morrow and he proposes to say that the Bank will probably give £1000.

LEH  
ET 4 01

(2) The Commonwealth Bank of Australia through their London Office have asked for advice on certain points in regard to the future management of Treasury Bills in Australia and he read to the Committee the Bank's reply.

ET 171

a.s.

(3) With reference to the Minutes of the 4<sup>th</sup> October 1933 and earlier, he proposes to make the following arrangements <sup>for the ensuing year</sup> with Sir James Cooper

31<sup>st</sup> January  
1934.

Cooper, Mr. Hodges and Mr. Bischoff in regard to their relations with The Securities Management Trust -

Mr James Cooper: Retaining Fee of £500 a year to be continued until the 28<sup>th</sup> February 1935.

Mr Hodges: To be granted a Retaining Fee of £500 a year for the period 1<sup>st</sup> October 1934 to ~~31<sup>st</sup> March~~ 28<sup>th</sup> February 1935.

*Alterations  
agreed by the  
Governor. 19/1/34*

Mr Bischoff: To continue on a part time basis at £2500 per annum until the 31<sup>st</sup> October 1934, and as a Director of The Securities Management Trust until that date; thereafter to be granted a Retaining Fee of £500 a year for the period ending the 28<sup>th</sup> February 1935.

Wednesday, the 7<sup>th</sup> February, 1934.

Present :-

The Governor,  
The Deputy Governor,  
Mr. Gladstone,  
Sir Andrew Duncan,  
Mr. Peacock.

The proceedings of the last Committee were read and approved.

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 and the Fortnightly Letter to Dominion Central Banks were submitted.

It was agreed that an Allowance of £18 a year be granted during pleasure and in accordance with the scale to Mrs. widow of a Bullion Porter.

It was agreed to recommend to the Court.

(1) That a donation of £1,000 be made to the Fund now being raised by the Lord Mayor for relief of sufferers by the recent Earthquake in India.

(2) That C. J. White, an Auxiliary Male Clerk, who has completed 16 years' service and will attain the age of 65 years on the 9<sup>th</sup> February be granted a Pension of £144 a year during pleasure and in accordance with the scale from the 10<sup>th</sup> February inclusive.

(3) That the Rate of Interest on deposits with the Bank Provident Society be continued for the ensuing year at  $2\frac{1}{2}$  per cent. free of Income Tax.

The

7<sup>th</sup> February  
1934

The Governor acquainted the Committee of the following matters -

~~LE 46~~  
CT 45-03

(1) He laid before the Committee copies of a letter and memorandum which he had received from the Chairman of the Joint Committee of British Short-Term Creditors expressing the uneasiness felt by that Committee as to the serious effects which the threat of trade clearing arrangements may have upon all classes of Creditors with Germany. He has forwarded these documents to the Chancellor with a covering letter expressing his general agreement with these views.

~~LE 46~~  
Historical  
Records

(2) He has authorised the purchase of a Silver Tankard of 1694 and a bracket Clock for the Directors' Luncheon Room

