

COMMITTEE OF TREASURY

MINUTE BOOK

55



Members of the
Committee of Treasury
for the year 1933-1934:-

The Governor

The Deputy Governor

Mr. Grenfell

Sir Josiah Stamp

Mr. Shaw

Mr. Hambro

Mr. Gladstone

Sir Andrew Duncan

Mr. Peacock

Wednesday, the 14th February, 1934.

Present:-

The Governor,

The Deputy Governor,

Mr. Gladstone,

Sir Josiah Stamp,

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 following were submitted and approved -

Weekly Reports on Central Banks

List of Charitable Subscriptions for the current year.

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 -

- (a) W. J. Hastings, a 1st class Clerk at the Birmingham Branch; age 61 years; service 39 years; Salary £657:10:- a year.
Pensions £385:14:8 a year from the 10th June next inclusive

14th February
1934

(b) B. M. Perry, a Permanent Woman Clerk; age 44 years: service 18 years: salary £225 a year: who has tendered her resignation on account of ill-health; Pension £81 a year from the 10th March next inclusive.

The Governor informed the Committee that no business of importance had been transacted at the Monthly Meeting of the Board of the Bank for International Settlements.

HB 78
CT 100-06

The members of the gold bloc, other than the Poles, held a private Meeting and agreed to meet whenever they are at Basle: they did not pass any formal Resolutions.

HE 1
CT 64

With reference to Minutes of the 3rd January last and earlier, the Committee had before them a draft of the proposed Trust Deed for creating an "Unauthorized Trust Fund for Pensions together with estimates furnished by the Actuary as to the annual payments that would be required.

After discussion it was agreed to bring the matter before the Court to-morrow for their consideration, but to defer the question of a recommendation until the next Meeting.

Wednesday, the 21st February, 1934.

Present: -

The Governor,
The Deputy Governor,
Mr. Gladstone,
Sir Josiah Stamp,
Sir Andrew Duncan,
Mr. Percock.

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

Report of the Committee on Advances and Discounts on the Discount business of the Bank for the months of January and on Special Advances.

The following were submitted and referred to the Court -

Committee on Advances and Discounts:

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

Committee on St. Luke's:

Minute recommending a personal increase in the wages of the Deputy Overseer of the Printing Section.

Report on the Annual Reports of the Administrative Staff of the Security Paper Store and the Permanent Clerical Staff at St. Luke's, with recommendations for Promotions under the 1926 Scheme of Salaries.

Staff Committee:

Minute recommending appointments, &c.,

Minute recommending promotions under the 1926 Scheme of Salaries.

Report on the Annual Reports on the Clerical Staff of the Bank, with recommendations for Personal Salaries and Gratuities.

It was

21st February,
1934.

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. A. Bowden, an Auxiliary Male Clerk; age 65 on the 27th February: service 18 years:
Pension £162 a year from the 28th February inclusive.

F. J. Dawson, an Assistant to the Superintendent of Women Clerks; age 50 on the 28th February; service 31 years: Salary £385 a year:
Pension £231 a year from the 1st March inclusive.

G. S. Smith, a Gatekeeper in the Works Department; age 65: service 45 years: Wages £214 ³/₁₀ a year: Pension £145 a year from the 11th March inclusive.

The Committee again considered the question of the establishment of an "unauthorised" Trust Fund for Pensions. Further estimates were furnished by the Actuary as to the annual payments that would be required and after discussion it was agreed to recommend to the Court of Directors -

CT-64

- (1) That an "unauthorised" Pension Fund be established forthwith.
- (2) That annual contributions to this Fund to provide Pensions for all existing Pensioners and present members of the Staff be commenced on a ten-year basis.
- (3) That the first contribution be made on or before the 28th February 1934.
- (4) That contributions to the Fund in respect of future entrants to the service of the Bank be made on such basis as may from time to time be recommended by a qualified Actuary.
- (5) That Mr. Clegg, Mr. Holland-Martin, Mr. Walker and Mr. Catterno be appointed the first Trustees

of

21st February,

1934.

of the Fund

as

- (6) That (a) the sum of £1,488,580, being the amount previously set aside out of profits to the existing Pensions Reserve Fund plus the dividends on its investments, and (b) the relative assets now worth £1,957,414, be now re-transferred to the Bank's accounts
- (7) That in order to establish the Fund the accompanying Trust Deed be sealed forthwith.

~~10/2/34~~
 CT. 122.
 CT. 50 06

The Governor laid before the Committee an estimate of the profits of the Bank for the half-year ending the 28th February. He explained to the Committee that this estimate included the sterling profit derived from the repayment of the Gold Advance made to the Austrian Government. This profit after allowing for the appropriate deduction on account of Income Tax amounted approximately to £1,100,000 and this sum had already been placed to "Contingencies Account" and would not be included in the estimates to be given by him to the Court to-morrow. Apart from this fortuitous profit the estimated profit for the half-year, after providing for Income Tax, Taxation Reserve and a dividend of 6% less Income Tax, was £510,000 and he proposed that the whole of this sum should be applied towards the first payment in respect of the proposed Superannuation Fund should the Court agree to-morrow to the creation of such a Fund.

In his view the Government would not expect the Bank to retain either the sterling profit derived from the repayment of the Austrian Gold Advance or the similar sterling profit derived during the half-year ended the 31st August 1933 from the repayment

of

21st February,
1934

of the Gold Credit to the Reichsbank, and he proposed that the Bank should take over the £2,372,720 interest in China at present covered by a secret guarantee from the Government and write off the whole nominal value of that interest out of the above sterling profits which after allowing for Income Tax amount in all to about £2,406,000

Wednesday, the 28th February, 1934.

Present:—

The Governor,
The Deputy
Governor,
Mr. Gladstone,
Sir J. Stamp,
Sir H. Smeaton,
Mr. Peacock

The proceedings of the last Committee were read and approved.

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

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

The Weekly Reports on Central Banks were submitted.

+E17
N/E.

It was agreed that the compassionate allowance of £6/- a week granted in December 1932 to Mrs. [redacted] widow of [redacted], a Bank Note Stamper, be continued for a further year, but that Mrs. [redacted] be informed that she will be expected to obtain employment so that the Bank will not be asked at the expiration of that time for further continuance of the allowance.

The Committee had before them an appeal from Sir Alan Anderson, who is taking the Chair at the

28th February,
1934

at the Annual Dinner of the Reedham Orphanage, for a Donation to the Funds of that Institution. It was agreed to recommend to the Court that a Donation of £100 be made on the understanding that the name of the Bank shall not appear as such on Sir Alaw Anderson's list of donors.

It was agreed to recommend to the Court of Directors that Pensions be granted in accordance with the scale to the following:

A. In accordance with the Provisions of the ^{Trust Deeds of the} Superannuation Funds:

C. B. Mayo, a Sub-Cashier: age 62 years: ^{service} 43 years: who, in the opinion of his Medical Adviser, is unfit for further service, £538:9:4 a year from the 1st March inclusive.

A. D. C. Parker, a 3rd Class Clerk, in the Accountants' Department: age 34 years: service 13 years: who has tendered his resignation in accordance with the Order of Court of the 22nd February 1934, equal to full Salary from the 1st March to the 31st May inclusive, and thereafter £105:12:- a year.

O. M. V. Minter, an Auxiliary Woman Clerk: age 42 years: service 14 years: who has tendered her resignation in accordance with the Order of Court of the 22nd February 1934, equal to full salary from the 1st March to the 31st March inclusive, and thereafter £56 a year.

B. During pleasure to two Mechanics at St. Luke's Printing Works:

P. E. Harrison, an Engraver: age 70 years on the 19th March: service 29 years: £189:3:8 a year from the 19th March inclusive.

Thurlow Williams

28th February
1934

Thurlow Williams, an Inspector: age 65 years:
service 41 years: £173^{s.} 4^{d.} a year
from the 8th May inclusive.

~~1803~~
CT. 122

The Governor acquainted the Committee of the following matters -

(1) With reference to the last Minutes as to the taking over by the Bank of the interest in Chitrit at present covered by a secret guarantee from the Government he read a draft of a letter which he proposed should be sent to the Treasury by the Principal of the Discount Office.

~~HE 19~~
CT 70 04

(2) He read a letter which he had received from Sir George Hamilton enclosing a copy of a circular issued by the Guardian Securities Company Ltd., recommending the First British Fixed Trust to investors and stating that one of the Directors of the Managing Company is a Director of the Bank of England. In this letter Sir George Hamilton expressed the view that this use of Directorship of the Bank of England was improper and hoped that the Governor would be able to take some action.

The Governor after reading his reply explained that Mr Booth obtained permission of the Court in April 1931 to become a Director of the First British Fixed Trust Company which was being formed under the auspices of J.G. White & Co. Ltd., of which he is Chairman, but it was subsequently found that the parent Company could, as managers, operate such Fixed Trusts without the actual formation of subsidiary Companies.

He has instructed the Secretary to ask Mr Booth whether in these circumstances the permission granted by the Court may be deemed to have lapsed.

~~1875~~
CT 179

(3) With reference to Minutes of the 20th July 1932 and earlier, he has been considering the possibility
of

28th February,
1934.

establishing an Industrial Mortgage Company and last autumn he requested Sir Otto Mowbray to explore the subject and prepare a draft scheme. It was not thought that the matter was one in which it would be possible to invite the public to subscribe the necessary capital and he therefore appealed to the Bankers at their Meeting here last month for their financial support for the scheme. The Bankers' response at the outset was more favourable than he had dared to hope. Later, however, one of the Bankers declined to give the assistance asked for and suggested instead an alternative scheme sponsored by the Charterhouse Trust. Under this scheme it was proposed to appeal to the public for subscriptions and the financial support of the Bank of England and Bankers although still necessary would only be required on a reduced scale, but mainly for advertisement.

Whilst the other Bankers would welcome any reduction which might be possible in the sums they might be called upon to find, he was assured that they were prepared to stand by their original promise to him should it be decided that the original plan is preferable to the alternative now suggested.

Lord Hyndley then attended the Committee and discussed with them the Final Report of the Economy Committee. It was agreed to put forward to the Court tomorrow suggestions for dealing with various sections of the Report and to make definite recommendations next week.

ET60.02

Wednesday, the 7th March, 1934.

Present:-

The Governor
The Deputy
Governor,
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 alterations be recommended in the Bank Rate.

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

The Committee again considered the Final Report of the Committee on Economy and it was agreed to make the following recommendations to the Court -

CF 60 02

(1) That the Report be adopted in principle.

(2) That the specific recommendations with regard to -
(a) Salaries, Governor's leave, Auxiliary Male Clerks and Pensions (except as already dealt with under the Superannuation Fund), contained in pages 2-b, other than those affecting the 1926 Scheme of Salaries be referred to the Staff Committee for consideration; the Staff Committee in due course to recommend to the Court such action as they think fit. In remitting these recommendations to the Staff Committee it is understood that various details need definition and may in some cases need modification; the reason for any such modifications to be explained by the Staff Committee in their Report to the Court.

(b) Mechanisation

7th March, 1934

- (b) Mechanisation (page 6) be referred to the Staff Director with instructions to report half-yearly to the Committee of Treasury.
- (c) Branches (page 7) be referred to the Staff Committee for consideration, as outlined in (a).
- (d) Non-Clerical Staff (page 7) be referred to the Staff Director with instructions to report half-yearly to the Committee of Treasury.
- (e) Grants to Bank Clubs and Societies (page 7) be referred to the Staff Director.
- (f) Additional Premises } (page 8)
(g) Water Supply }
- be referred to Mr. Holland-Martin with instructions to report to the Committee of Treasury.
- (h) Register for Bank Notes of £5 and higher denominations (page 8) be referred to the Deputy Governor.
- (i) St. Luke's Printing Works (pages 8+9) be referred to the Committee on St. Luke's with instructions to report thereon in six months' time.
- (j) Permanent control of expenditure (pages 9+10): the Heads of Department to report half-yearly to a Committee to be set up composed of the Executive Directors and Mr. Shaw, who will in turn report to the Committee of Treasury.

~~£100.~~
£70.03

The Committee had before them a letter from Mr. Trotter asking that his name should not be put forward for re-election in April next.

It was agreed that this should be reported to the Court with regret and that a

recommendation

7th March.
1934.

recommendation should be made to the Court that Mr B G Catterno, the Chief Cashier, be invited to allow his name to be submitted to the Proprietors for election in April.

The Governor acquainted the Committee of the following matters -

~~1876~~
CT 45-02

(1) With reference to the proposed meeting of the middle and long-term creditors of Germany next month, he read to the Committee a letter which he had written to M. Moret suggesting preliminary discussions among a small number of representatives of the creditors of different nationalities with the President of the Bank for International Settlements as Chairman.

~~1877~~
CT 179

(2) With reference to the last Minutes on the question of an Industrial Mortgage Company, he read a letter which he had written to the Chairman of the Committee of Clearing Bankers stating that the Bank will not participate in the Scheme for Industrial Finance submitted to them on the 26th February, that if the Charterhouse Trust sets up a company bona fide to fill the present need the Bank will make no move, but that they will otherwise feel bound to proceed with their original scheme if they may still rely on the necessary support from the Banks.

~~1878~~
CT 122

(3) With reference to the wish of Sir Bertram Hornsby to resign the Chairmanship of the Anglo-South American Bank, which was conveyed to the Committee on the 1st November last, and in view of the fact that the Bank of England have now acquired the absolute control of that Bank, he outlined to the Committee proposals for changes in the Direction.

In particular he asked the Committee to give him authority to find a Chairman and also to invite Senor Andreas Moreno, General Manager of the Banco Hispano Americano, who had been

recommended

7th March, 1934

recommended to him by the Banks who had subscribed to the original guarantee, to join the Board perhaps as Managing Director.

+ £75
 C-123
 ET 134

(4) With reference to Minutes of the 9th November 1932, when it was agreed that Messrs. Selolites should be requested to examine the position of the Anglo-International Bank and other concerns with a view to a possible amalgamation, he has now authorised the payment to them by the Bank of their charges for this work amounting to £375.

Wednesday, the 14th March, 1934

Present:-

The Governor
 The Deputy Governor
 Mr. Grenfell,
 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.

It was agreed to recommend to the Court that Sydney Scollick, a Sub-Cashier, age 65 on the 20th March, be granted under the provisions of the Trust Deed of the Super-annuation Fund, a pension of £566-8-8 a year in accordance with the scale from the 21st March inclusive.

The

14th March,
1924.

The Staff Director attended the Committee and submitted the following:

Minute of the Staff Committee recommending appointments, &c.

Half-Yearly Accounts of the Works Department and of St. James' Printing Works.

Annual Reports on the Sanitarium Fund, the Clerks' Guarantee Fund and the Pensions Reserve Funds

and it was agreed that they be referred to the Court.

The Staff Director also submitted proposals by the Trustees of the Superannuation Fund as to the investment of monies paid to them by the Bank and it was agreed to ask the Trustees to put forward their proposals next week in the form of a Minute to be considered by the Committee and submitted, if approved, to the Court.

The Staff Director then left the Committee.

The Governor acquainted the Committee of the following matters -

+E18
CT 100.06

(1). The Board of the Banks for International Settlements have received notice from the Governor of the Bank of France that the French Treasury intend to raise the question of the Gold value of the French Guarantee Fund which in their view has not depreciated in value through the fall in the dollar, and the Board agreed to authorise the President to attempt the necessary negotiations in this matter or to fall back on arbitration later.

He has referred the matter to the Chancellor.

+E19
CT 179

(2). With reference to the last Minutes as to the formation of an Industrial Mortgage Company, he has since received a letter from the United Dominion Trust making a satisfactory offer to set up a Company to transact this form of business without any contribution from the Banks, and he proposes to send a copy of this letter

14th March
1934

letter to the Chairman of the Committee of Clearing Bankers in order that this proposal may be considered with the two schemes already before that Committee.

FEB 20
CT. 45 03

3. With reference to the last Minutes as to the proposed meeting of the middle and long-term creditors of Germany next month, it is not possible to exclude discussion of Reich loans which alone would allow the President of the Bank for International Settlements to act as Chairman at the suggested preliminary discussions, and no alternative Chairman who would be neutral and acceptable is yet available. General agreement has been reached at Basle to recommend the Creditor Committees:

- (i) to continue active exploration of the subject among themselves;
- (ii) to arrange for the proposed Preparatory Committee to meet at the Bank for International Settlements early in April;
- (iii) not to summon the full Creditors' Meeting in Berlin until the Preparatory Committee can report progress. A suggestion has also been made that the Preparatory Committee be arranged on the joint initiative of the two Committees, British and American, represented at the January Meeting in Berlin.

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 5th April next of £6 per cent. less Income Tax.

Wednesday, the 21st March, 1934

Present -

The Governor.
The Deputy
Governor.
Mr. Gosnell,
Mr. Gladstone,
Mr. Hambro,
Sir A. Duncan
Mr. Placo et

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.

Monthly Report of the Committee on Advances and Discounts.

It was agreed to recommend to the Court of Directors that A. V. Hibbert, a Cashier, who attains the age of 65 years on the 24th March, be granted under the provisions of the Trust Deed of the Superannuation Fund, a pension of £599 : 14 : 8¹¹ a year in accordance with the scale from the 25th March inclusive.

With reference to the last Minutes a Report from the Trustees of the Superannuation Fund as to the investment of monies paid to them by the Bank was submitted and referred to the Court.

The Governor acquainted the Committee of the following matters -

(1). With reference to Minutes of the 28th February as to the taking over by the Bank of the interest in *Chiluit* which has been covered by a secret guarantee from the Government, he read a letter from the Chancellor conveying to the Bank the thanks of the Government for this generous action.

(2). With

CT 122.
1675

21st March.

1934

~~1033~~

CT 122.

(2). With reference to Minutes of the 7th March giving him authority to invite Mr. Andreas Moreno to join the Board of the Anglo-South American Bank, Mr. Moreno has now been approached and it has been agreed that he be allowed to defer consideration of the proposal until next week. If Mr. Moreno accepts the proposal he will be invited to come to London immediately after Easter to discuss terms and conditions. In the meantime the Treasury have been informed of these negotiations which, if they are brought to a successful issue, will necessitate authoritative exemption from the terms of the Orders which impose restrictions on the acceptance by aliens of employment in the United Kingdom.

1033

CT 179.

(3). With reference to the last Minutes as to the possibility of establishing an Industrial Mortgage Company, he has received a Minute passed by the Committee of Clearing Banks to the effect that they are in favour of the scheme put forward by the United Dominion Trust and will be prepared to grant the new Company ordinary banking facilities and accommodation if required. He has now received a further letter from Mr. Jarvie setting out his proposals in fuller detail, which seem to provide adequately for all requirements.

In this letter, a copy of which he is sending to the Chairman of the Committee of Clearing Banks, it is suggested that one Director of the new Company should be nominated by the Clearing Banks and one by the Bank of England. He considers that Mr. Bruce Gardner will be eminently suited to fill the latter position, but as it may be considered undesirable that any formal right of nomination should appear to be vested in the Bank of England

he

21st March.
1934

he proposes to confine himself to a private recommendation of Mr Bruce Gardner's name to the Chairman of the Company and to leave it to the latter to secure Mr Gardner's appointment in the normal course.

Wednesday, the 28th March, 1934

Present:

The Deputy
Governor,

Mr Greenfell,

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 *sc.* 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 March Meeting of the Board of the Bank for International Settlements.

The following were submitted and referred to the Court -

Minute of the Staff Committee recommending appointments *sc.*

Quarterly Report of the Staff Committee on payments made *sc.*

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

Regulations, as revised, for the Internal Administration of the Bank.

It was agreed to recommend to the Court of Directors that a donation of £100 be made to a special appeal now being made on behalf of the Indian Colleges.

With

28th March,

1934.

+ 275.

of 179.

With reference to the last and earlier Minutes as to the formation of an Industrial Mortgage Company, the Deputy Governor read a letter from the Chairman of the Committee of Clearing Banks stating that his Committee welcomed the scheme but that they did not propose to exercise the privilege of appointing a director as a nominee of the Joint Stock Banks.

Wednesday, the 4th April, 1934.

Present:-

The Deputy Governor,

Mr. Grenfell,

Mr. Gladstone,

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 Fortnightly Letter to Dominion Central Banks was submitted.

Following on the invitation extended by the Court on the 29th March to Mr. B.G. Cattermole, the Chief Cashier, to allow his name to be submitted to the Proprietors for election to the Court on the 18th instant, it was agreed by arrangement with him to recommend to the Court that he be allowed to retire from the service on a pension on the 17th instant.

It was further agreed to recommend that Mr. Cattermole be granted in accordance with the provisions of the Trust Deed of the Superannuation Fund a pension of £2500

4th April.
1934

a year from the 18th instant inclusive, with a sum of £16,000 in cash, but that he be not allowed an option of commutting any portion of his pension.

The following were submitted and referred to the Court -

CT60-02.
Report of the Staff Committee on certain matters contained in the Final Report of the Special Committee on Economy.

House List of Governors and Directors for the year ensuing.

Procedure for election of the Committee of Treasury.

It was agreed to recommend to the Court of Directors that scale pensions be granted to the following persons in accordance with the provisions of the Trust Deed of the Superannuation Fund -

- (a) William Guerson, a Superintendent in the Transfer by Deed Office: age 61: service 40 years: average salary £773:12:4. Pension £464:3:4 a year from the 1st July inclusive.
- (b) J. G. Smith, an Auxiliary Male Clerk: age 65 on the 7th April: service 18 years. Pension £162 a year from the 8th April inclusive.

LB55
CT 67 05

The Committee had before them a request from the Bank of England Rifle Club for increased assistance from the Bank to enable them to rent and furnish a "Hut" as Headquarters for the Club at Bisley; the annual charge is estimated at £25 or £30 a year and the initial cost of furnishing at about £25 or £30. It was agreed that the Bank should bear the initial cost of fitting out the Hut and increase their annual subscription to the Club by an amount sufficient to cover the annual charge.

Wednesday, the 11th April 1924.

Present :-

The Governor,
The Deputy Governor,
Mr Grenfell,
Mr Gladstone,
Sir Jevial Stamp,
Mr Hambro,
Sir Andrew Duncan,
Mr Pearce

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 following were submitted and referred to the Court -

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

Minute of the Staff Committee recommending an Election of Probationary Male Clerks.

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

The Governor acquainted the Committee of the following matters -

~~1280~~
CT 70.04

(1) He has received a letter from Sir Basil Blackett stating that he had been invited to be a Director and Chairman of the Kolhapur Aluminium Company, if and when formed, and asking for the approval of the Court in principle. He proposed to tell Sir Basil Blackett that it does not seem possible to promise, either formally or informally, permission to join a Company which is not yet in existence and which at present has no Board of Directors.

~~1285~~
CT. 122.

(2) With reference to Minutes of the 21st March and earlier, a letter has now been received from Mr. Moreno stating that he is unable

to

11th April
1934

to obtain release from his present post and regretting that he is therefore unable to accept the invitation extended to him to come to London.

(3) He has just returned from attending the Monthly Meeting of the Board of the Bank for International Settlements at which there was no business of importance, but during his stay at Basle one or two matters had come to his notice which had caused him some disquiet, viz:—

~~1878~~
CT 100
CT 100.06

(a) In 1932 the Board of the Bank for International Settlements passed certain Resolutions arising from the Report of the Gold Delegation of the League of Nations: the Bank for International Settlements is almost entirely a Gold Standard Bank, and they regard it as important that a Gold Standard Resolution should be brought forward and passed at the General Meeting next month.

~~1878~~
CT 100.04

(b) On the 3rd January last he informed the Committee that he had agreed, together with the Bank of France and the Reichsbank, to second a Member of the Staff for a period to the Bank for International Settlements, and [redacted] Deputy Principal of the Economies and Statistics Section, has been in Basle for the past three months. He had hoped that much good would result but the arrangement had not been developed on the lines of collaboration with Mr. Jacobsson in accord with what he had understood to be the original intention.

~~1878~~
Historical
Records

(4) He has authorized the purchase of a two handled porringer and two silver candlesticks of the year 1694.

Wednesday, the 18th April, 1934.

Present:—

The Governor,
The Deputy Governor,
Mr. Grenfell,
Mr. Gladstone,
Sir J. Stamp,
Mr. Hansero,
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 Bank.
Fortnightly Letter to Dominion Central Bank.
Monthly Report of the Committee on Advances & Discounts.

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

1267
CT 100 04

Memorandum by Mr. [redacted] on Capital Movements to and from London 1932-1933.

The following were submitted and referred to the Court—

Minute of the Committee on Advances & Discounts recommending the re-opening of a Discount Account.

Letter from Mr. P. A. Cooper asking permission to join the Board of the Central Mining and Investment Corporation, Ltd.

It was agreed to recommend to the Court of Directors—

(a) That scale pensions be granted, on account of ill-health, to the following persons in accordance with the provisions of the Trust Deed of the Superannuation Fund:—

Benjamin Boothby, an Auxiliary Clerk: age 64:
service 18 years: pension £162 a year from the 1st October next.

G. A. Robinson, a Parlour Messenger: age 54:
service 24 years: wages £260 a year: pension £117: 17: 4 a year from the 1st July next.

(b) That

18th April.
1934

(b) That Reports on the following matters arising out of the Final Report of the Special Committee on Economics, which were referred by the Court of the 8th March last to the Deputy Governor and Mr Martin respectively, be recommended to the Court for adoption:

Register for Bank Notes of £5 and upwards.
Water Supply

In order to fill the vacancy caused by the retirement on the 17th instant of Mr. B. G. Calderwood, the Chief Cashier, it was agreed to recommend to the Court -

That Mr. N. O. Poppitt, M.C., the Principal of the Discount Office be appointed Chief Cashier, with the basic salary attaching to the post.

That Mr. V. N. Travers, the Principal of the Branch Banks Office, be appointed Principal of the Discount Office, with the basic salary attaching to the post and a special personal pensionable salary of £1000 a year, in lieu of his present personal salary of £550 a year.

That Mr. [redacted] a Deputy Chief Cashier, be granted a personal pensionable salary of £250 a year.

The above proposals to date from the 18th instant inclusive.

With reference to the Minutes of the 14th March as to the refusal of Mr. Fraser to act as a neutral Chairman at the forthcoming Meeting in Berlin of Middle and Long Term Creditors of Germany, the Governor read to the Committee a confidential letter which he wrote on the 16th instant to Mr. Fraser asking him to reconsider this decision.

HE 16th
ET 45 02

Members of the
Committee of Treasury

for the year 1934-1935 :-
(Elected 19th April 1934)

The Governor

The Deputy Governor

Mr. Greenfell

Mr. Hambro

Mr. Shaw

Sir Andrew Duncan

Sir Josiah Stamp

Mr. Peacock

Lord Huddley of Meads.

Wednesday, the 25th April, 1934.

Present :-

The Governor

Mr. Greenfell

Sir J. Stamp

Mr. Hambro

Mr. Peacock

Lord Huddley

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.

An application by the Industrial Welfare Society for a Donation was declined.

Proposals for the appointment of Standing Committees, &c., for the ensuing year were approved and recommended to the Court for adoption.

It was

25th April,

1934.

It was agreed to recommend to the Court for adoption 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 :-

Sir E. M. Harvey, the Deputy Governor, to be paid at the rate of £5000 a year from the 1st March inclusive.

Mr. W. H. Clegg, to be the Executive Director in charge of Domestic Organisation and to be paid at the rate of £2000 a year from the 1st March inclusive.

Mr. E. H. Martin, to be an Executive Director and to be paid at the rate of £3000 a year from the 1st March inclusive.

Mr. B. G. Catterno, to be an Executive Director and to be paid at the rate of £2500 a year from the 18th April inclusive.

The Governor acquainted the Committee of the following matters -

HB 13
CP 50-03

(1) The Bank were approached by the Treasury last month as to their charge for the issue in September last of £150,000,000 2½% Conversion Loan and after discussion agreed to accept in respect of that portion of the loan which was taken up by the Issue Department one-tenth of their normal charge for such operations, the remuneration received by the Bank on this reduced basis being sufficient to provide a fair margin of profit. It was agreed by the Treasury that this concession should not be regarded as a precedent.

LE 20
CP 4-01

(2) He read a cable which he sent during last week to the Chairman of the Commonwealth Bank pointing out that it is important, on grounds both of principle and of practice, that the mutual relations

03

25th April, 1934

of Central Banks should be exclusive, or as nearly so as particular circumstances allow

In this connection he pointed out to the Committee that the prospect of the creation at an early date of a Central Bank for India with an Office in London rendered the establishment of these relations with the Commonwealth Bank additionally important.

+B70
CT 132

(3) As stated in the Minutes of the 27th March 1929, the Bank hold 250,000 £1 shares of the British Italian Holding Company which were acquired in order to assist an orderly liquidation of the British Italian Corporation. These shares at present stand in the names of nominees and are valueless, although it is improbable that the winding up of the Company will be completed for some time. The Bank recognised at the outset that these shares would probably have no market value and their cost was at that time written off in the Bank's books, but in order to establish the loss for the purpose of claiming repayment of Income Tax it was necessary to effect a sale of the shares; in agreement with Mr. Ashley Cooper, the Chairman of the Holding Company, it has now been arranged that the Prudential Assurance Company, who are the Trustees and also own the voting control, should take over the Bank's holding for the nominal consideration of £1.

+E71
CT 134

(4) The Chairmanship of the British Overseas Bank has become vacant owing to the death of Lord Churchill and various names have been discussed for a successor; these names were, however, in his view merely figureheads and quite unsuitable. He has expressed the view that Mr. Gairdner, the Deputy Chairman and Managing Director, should be appointed Chairman and he now learns that this will be done

(5) Messrs

25th April.

1934.

~~FE 22~~

CT 142.

(5) Messrs Seyd & Co. Ltd., will in the near future 28
be sued for supplying information which is alleged
to have resulted in loss to a certain business. They
have asked that someone from the Bank may be
allowed to give evidence in their support and, in
view of the fact that the Bank of England are one of
their oldest clients and that during the War
Messrs Seyd & Co. rendered great service both to the
Government and to the Bank, he has willingly
agreed to their request. The Bank have already
been sub-poenaed and a proof of the evidence to be
submitted, has been agreed with Messrs. Freshfields
Ajee & Munns.

Note

At the conclusion of the business of the Meeting
of the 25th April 1934, the Governor acquainted
certain Members of the Committee who were present
of the situation in Denmark, as set out in a letter
from himself to Sir Frederick Smith-Ross of the
17th April.

He also laid before those present a letter written
by Mr. Siepmann on the same day to Mr. Bruce on
the question, which concerns the Bank for Inter-
national Settlements, of a banking re-organisation in
Hungary.

CT 20 ~~FE 20~~

CT 41 ~~FE 30~~

Wednesday, the 2nd May, 1934.

Present: -

The Governor,
Mr Grenfell,
Mr Shaw,
Mr Hambro,
Sir A. Duncan,
Lord Hunsley.

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 according to the scale be granted to the following persons in accordance with the provisions of the Trust Deed of the Super-annuation Fund: -

H. G. Waller, a Cashier: age 65: service 46 years:
average salary £898: ⁵15: ⁴11 a year.
Pension £599: ⁴:- a year from the
11th May inclusive.

A. B. Bannister, a Sub-Cashier: age 65: service 42
years: average salary £747: ⁵3: ⁴6 a year.
Pension £498: ²4: a year from
the 11th May inclusive.

J. E. Warren, a Sub-Cashier: age 64: service 45 years:
average salary £847: ⁸:- a year. Pension
£564: ⁸18: ⁸ a year from the 1st August
inclusive.

V. W. Mars, an Auxiliary Male Clerk: age 65 on the
17th December: service 18 years; who has
tendered his resignation on account of
ill-health. Scale pension £162 a year
from the 1st October inclusive.

The

2nd May,
1934

~~1067~~
CT-38

The Governor acquainted the Committee of the following matters -

1. England, France and Italy have agreed in principle as to the desirability of a conversion of the Austrian Guaranteed Loans and in order to save time and avoid misunderstanding, the Chancellor has asked Sir Otto Niemeyer to seek informally, in a personal visit the concurrence in principle of each of the other Guarantor Powers.

~~1080~~
CT 70 04

2. He reminded the Committee that on the 11th April they had, on the information then before them, declined to recommend to the Court that Sir Basil Blackett be granted permission to become a Director and Chairman of the Kolhapur Aluminium Company, if and when formed. He has now seen the draft prospectus of the Company and has told Sir Basil Blackett that on that basis he will be prepared when the Company shall have been formed to ask the Committee in due course to recommend acceptance of his request by the Court.

~~HE 23~~
CT 70 04

3. Mr. Martin has been for some years a Director of a private Company entitled Overbury Estates Limited. This Company is a private family concern and all the members of the Board are members of Mr. Martin's family. The Company for technical reasons is now being wound up and a new Company with the same name, the same Directors and with the same objects will immediately be formed. In his view this does not affect Mr. Martin's position either as a Member of the Court or as an Executive Director, and he does not therefore propose to refer the matter to the Court.

~~HE 24~~
CT. 44.

4. With reference to previous arrangements as to the Bank's account with the Federal Reserve Bank, he read to the Committee a letter from an Executive Director to that Bank, avoiding any commitment and postponing discussion of any plan for re-opening the account on any definite basis.

Wednesday, the 9th May 1934.

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 were submitted.

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

It was agreed to recommend to the Court that Henry Holloway, a House Porter, who attains the age of 65 years on the 17th May, be granted a scale pension of £74 : 10 : 8 a year in accordance with the provisions of the Trust Deed of the Superannuation Fund, from the 18th May inclusive.

~~1878~~
CT100.06

With reference to Minutes of the 11th April, the Committee had before them a Draft of the Gold Standard Resolution which will be submitted for approval at the General Meeting of the Bank for International Settlements. The Governor expressed the view that not only was the Resolution as drafted unacceptable but that the moment was not propitious for putting forward any Resolution of this nature. He stated that he proposed to write and ask Mr. Fraser to use his best endeavours to get the Resolution withdrawn or, failing that, to put forward in its place an alternative Resolution which had been prepared there.

The

9th May

1934

H 26

CT 168

The Governor acquainted the Committee of the following matters -

(1) At the Meeting of the Committee of Clearing Bankers on the 3rd May he raised the question, which he regards as important, of the position of the Council of Foreign Bondholders; the Bankers promised to consider the matter and appeared to be willing to help.

H 76

CT 195

(2) The Central Mining and Investment Corporation virtually controls the major gold producing group in South Africa and dominates the Chamber of Mines which lays down the policy: he has for some years maintained close contact with the Corporation, and both he and they are disturbed by the fact that the voting control, so essential to British interests, has passed into French hands.

After consultation on Friday last with such Members as were available, and in company with Mr. P. A. Cooper, he had suggested to the Chairman of the Central Mining & Investment Corporation the purchase by the Bank of England, at any reasonable price, of the whole, or any number not less than one-third, of an issue of 1,000,000 5% Preference Shares to be made this month by that Corporation.

The number of votes attached to the present capital of the Corporation is about 450,000 and it is estimated that the 200,000 votes to be attached to the new Preference Shares should suffice to regain control of the situation.

The matter is now under consideration by the Board of the Corporation.

H 55
CT 122

(3) With reference to Minutes of the 21st March last and earlier as to the provision of a successor to Sir Bertram Hornsby as Chairman of the Anglo-South American Bank, he was glad to report that Sir Bertram has agreed to continue in this position for

9th May, 1934 for the time being, provided he is enabled to hand over the major part of the daily duties hitherto undertaken by him to an understudy of his own choosing. Sir Bertram has chosen Mr. J. A. Drexel, of the Firm of W. A. Bonbright & Co. who has willingly agreed to devote most of his time to the Bank and ^{virtually to} withdraw temporarily from the Discount Market, a post which has ^{been} explained to the Chairman of the Discount House Committee.

~~HE 25~~
CT 81 (4) Mr. Cattermole will shortly be going away for about two months and arrangements have been made for Professor Clay to take over during his absence his responsibilities as liaison between the Governors and the Foreign Exchange Section and between the Bank and the Treasury in connection with exchange questions.

Wednesday, the 16th May, 1934.

Present:—

The Deputy Governor,
Mr. Granfell,
Mr. Shaw,
Mr. Hambro,
Mr. Seaver.

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.

Fortnightly Letter to Dominion Central Banks.

Report of the Committee on Advances and Discounts on the Discount business of the Bank for the month of April and on Special Advances.

Minute of the Committee on St. Lucia's as to the disposal of redundant plant.

CT 56 ~~HE 27~~

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

It

16th May, 1934

It was agreed to recommend to the Court that Mary Sayer, an Auxiliary Woman Clerk, service 15 years, salary £200 a year, who will attain the age of 50 years on the 29th May, be granted a scale pension of £60 a year in accordance with the provisions of the Trust Deed of the Superannuation Fund from the 30th May inclusive.

Wednesday, the 23rd May, 1934.

Present:—

The Governor,
The Secret^y of
Governor,
Mr Grenfell,
Mr Peacock,
Lord Hurdley

The proceedings of the last Committee were read and agreed.

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

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

An application for a donation to the Infants' Hospital was declined.

A Minute of the Committee on St Luke's recommending an increase in the Bank's subsidy to the Britannia Athletic Association was submitted and referred to the Court, on the understanding that the whole question of this subsidy will be reviewed annually by the Permanent Committee on Expenditure.

The following were submitted—
Bank for International Settlements:

Fourth Annual Report

Resolution on the Gold Standard approved at the Annual General Meeting.

Letter from the President thanking the Bank for the services rendered by Mr Acport.

Read

7878
CT100.06

7867
CT100.07

23rd May 1934CT. 45.01 HE 16^aReich Loans:

Letter from the Chief Cashier to the President of the Bank for International Settlements in respect of the meeting in Berlin which the Trustees of the Dawes and Young Plans were summoned to attend.

CT. 45.01 HE 16^a

Letter from the President of the Bank for International Settlements to the German Minister of Finance declining the invitation in effect, though not specifically.

CT. 36 HE 29

The Deputy Governor informed the Committee that following the passing of the Statute of Westminster the South African Government had raised with the British Government the question of the present validity of the power reserved by H. M. Treasury, by virtue of the provisions of Section 2 of the Colonial Stock Act 1900, to disallow any Colonial legislation which appeared to them to alter any of the provisions of a Trustee Stock of any Colony to the detriment of the Stockholders.

After prolonged negotiation, the British Government have agreed with the South African Government the terms of a Bill to be brought before Parliament in due course permitting any Dominion if it so desires to make its Stocks subject to an alternative procedure for securing the rights of stockholders. It is not anticipated that any Dominion, other than South Africa, will take advantage of this alternative procedure which, however, in the opinion of H. M. Treasury will provide stockholders with protection at least equal to that already afforded.

HE 28

CT 64

The Committee discussed the question of a change in the Trustees of the Superannuation Fund consequent on the election of Mr. Cattermole to the Court and agreed that no alteration be made at the present time.

The

23rd May
1934

~~LA 83~~
CT. 23

The Governor acquainted the Committee of the following matters -

(1) He read a letter which he had recently written to Mr. Meinertzhagen as to the priority of the Coffee Realisation Loan and the Coffee Institute Loan respectively.

~~LA 89~~
CT. 35

(2) He read a letter from Mr. Depeaux written shortly after his arrival in New Zealand giving his early impressions of the position there.

(3) Messrs. Freshfields have recently been consulted as to the necessity for obtaining a Quorum for the weekly Meetings of the Court and have expressed the view that steps should be taken to ensure a Quorum at any rate on alternate Thursdays during the holiday season. He proposed to speak on this subject in Court to-morrow and invite the co-operation of all Members of the Court to this end.

The Governor outlined to the Committee proposals for the further re-organisation of the Secretary's Department, and it was agreed to make the following recommendations to the Court -

Committee of Treasury

23rd May, 1934

"The Committee are of opinion that further steps should now be taken towards the reorganisation of the Secretary's Department on the lines laid down in the Report of the Special Committee on Organisation and they submit proposals to that end"

"They consider it inexpedient that the Secretary should continue to discharge the responsibilities of Chief of the Establishments Department more especially now that they are

"making"

23rd May 1934

"making proposals which if approved will
 "entail such an increase in the responsibilities
 "to be attached to the Office of Secretary as
 "will suffice to engage the undivided attention
 "of one man. Consideration has been given to
 "the question as to how best the readjustment
 "can be effected with complete fairness to Mr.
 "Sale and without giving occasion for any
 "misconception in the minds of others as to the
 "value placed upon his services.

"In recent conversations Mr. Sale has
 "recalled the fact that he has already signified
 "his intention to request permission to retire
 "in August of next year when he will attain
 "the age of 60, and he has now written that, to
 "facilitate the early rearrangement of responsi-
 "bilities on the lines proposed, he is prepared
 "to hold himself at the entire disposal of the
 "Bank and, if he may be granted suitable
 "terms as to pension, to retire either at once or as
 "soon as successors can be appointed to take
 "over his duties.

"In these circumstances the Committee
 "recommend that Mr. Sale's suggestion be approved
 "and that the proposed measures of reorganisation
 "be put into effect forthwith.

"The Committee accordingly make the
 "following recommendations, *viz*:-

- "(1) That the position of Chief of Establishments
 "be no longer combined with that of Secretary.
- "(2) That arrangements be made forthwith to
 "attach to the Secretary's Department the sections of
 "the Chief Accountants' Office which deals with the
 "Bank's Private Ledger and Accounts, the Economies
 "and Statistics Section and the Costing Section.
- "(3) That Mr. J. A. C. Osborne, Principal of the
 "Economies and Statistics Section, be appointed
 "Secretary

23rd May,
1934.

"Secretary as from the 1st June 1934, with the basic
"salary attaching to the post.

"(4) That Mr. J. D. MacKenzie, Agent at the Deeds
"Branch, be appointed Chief of Establishments with
"the basic salary attaching to the post and a Personal
"pensionable salary of £250, the appointment to
"date as from the 1st June.

"(5) That Mr. Dale be granted, as from the 1st June
"1934, in accordance with the terms of the Trust Deed
"of the Superannuation Fund, a pension equal to his
"full salary until the 5th August 1935, when he will
"attain the age of 60, and thereafter a pension
"according to the scale calculated as though he had
"attained the age of 60. Further that if Mr. Dale on
"his retirement desires to exercise the privilege of
"commutation granted by the Court on the 2nd
"February 1928 the value of such commutation be
"calculated as though he had attained the age of 60.

"(6) That Mr. Dale be invited to continue to give his
"services to the Bank for such temporary periods
"as may be necessary for effecting the proposed
"rearrangement."

Note:

These proposals were confirmed by the Committee
of Treasury on the 30th May 1934 and adopted by
the Court on the 31st May.

Wednesday, the 30th May, 1934.

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 following were submitted -
Weekly Reports on Central Banks.

Fortnightly Letter to Dominion Central Banks.

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

It was agreed to recommend to the Court that the following persons be granted a pension and an allowance, respectively, in accordance with the scale and under the provisions of the Trust Seed of the Superannuation Fund -

Thomas Harris, a Smith in the Works Department.

age 69: service 36 years: wages
£195.8.8; a pension of £70 ¹⁶/₁₈
a year from the 9th June inclusive.

Mrs. M. J. Thorp, widow of E. W. Thorp, a Pensioner,

formerly a Bank Note Stamper;
an allowance of £12 a year from
the 8th April last inclusive.

A Report of the Committee on St. Butts's on matters arising out of the Final Report of the Special Committee on Economy was submitted and referred to the Court on the understanding that the question will be considered periodically by the Permanent Committee on Expenditure.

A letter

30th May
1934

A letter was read from Mr. [redacted] appealing for a donation from the Bank towards the Fund now being raised for the improvement of Tower Mill. The Committee whilst fully realising the desirability of the Scheme did not consider it to be one to which the Bank would be justified in subscribing. It was agreed, however, that before coming to a decision the Governor should first ascertain the views of the other Banks.

The Governor acquainted the Committee of the following matters -

HE 27
OT 165

(1) He had declined a request by the General Secretary of the Green Shirt Movement for Social Credit that he would receive a deputation to place before him the basic principles of a new Economic System as propounded by Major Douglas. He has now received a precise statement of the basic principles which in the opinion of Major Douglas must govern such a system and this is being considered by Professor Clay.

HE 30
OT 181

(2) He has recently had a visit from Sir Walter Preston, Chairman of Textile Machinery Manufacturers, who came with proposals for dealing with the situation in Lancashire.

With reference to the need for re-equipment and dealing in units of 5,000,000 spindles, these proposals included one to the effect that mill owners in Lancashire should have the right to long-term money from the Government at 1% on the understanding that they scrapped two spindles for every new one installed. He promised to consider the proposals and he read to the Committee a letter he had subsequently written to Sir Walter Preston.

HE 33
OT 179

(3) With reference to Minutes of the 28th March 1934 and earlier as to the establishment of Credit

30th May,
1934

Credit for Industry Ltd., and following on the refusal of the Clearing Banks to nominate a Director of the Company, he has now succeeded in obtaining the consent of Mr. Constantine Benson to join the Board.

1E32
ET 70.03

(4). He reminded the Committee that Colonel Hanbury will be 70 in December next and that Mr. Newman will attain that age on the 31st March 1935. He asked the Committee to consider during the coming week, as to the steps to be taken and he would bring the matter up again at the next Meeting.

Wednesday, the 6th June, 1934.

Present:—

The Governor
The Deputy Governor
Mr. Greenfell
Mr. Shaw
Sir Josiah Stamp
Mr. Hambro
Sir A. Duncan
Sir E. Peacock.

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 alterations be recommended in the Bank Rate.

The Weekly Reports on Central Banks were submitted.

It was agreed to recommend to the Court that W. C. Warren, an Auxiliary Male Clerk, service 17 years, who will attain the age of 65 years on the 12th June, be granted a scale pension of £153 a year from the 13th June inclusive, in accordance with the terms of the Trust Deed of the Superannuation Fund.

A Minute

6th June, 1934

a Minute of the Staff Committee recommending that [redacted] a Bullion Porter, be dismissed for misconduct was submitted and referred to the Court.

LE 33

Accounts
Office Files.

The Deputy Governor informed the Committee that the Governors had recently been considering the question of discontinuing the issue of Bank Post Bills. He read a memorandum giving a history of these Bills, introduced in 1728. The amount of the issue had been steadily decreasing and by 1933 had declined to 63 Bills aggregating £16,128 or an average amount outstanding of about £2000. Inquiry showed that no inconvenience to the public would result from the discontinuance of the Bills; all needs could be met by the Clearing Banks. The abolition of the Bills would save the Bank trouble and expense, and they had been advised by Messrs Freshfields that they were under no legal obligation to continue the issue.

It was agreed to recommend to the Court that the Bills be discontinued.

LE 34

ct. 37.02

The Governor laid before the Committee a secret memorandum on the financial position of the Canadian Railways and the commitments of the Canadian Government in connection with the Canadian National Railway. It referred to alternative schemes of freeing the Government from these commitments and placing the Railways on a sounder basis by means of a merger scheme. The Governor suggested that a small Committee might be established to enquire into the whole subject: provided the terms of reference and the membership were such as the Bank approved, the Bank might contribute a sum not exceeding, say, £25,000 towards expert advice and accounting. It would also be a condition that

6th June, 1934.

that no objection should be raised by the Chancellor, and that the terms of reference should be approved by the leaders of the two Canadian political parties. The Chairman might be Mr. Goodenough, if he were willing to serve. The Report would have to be made public, say by the 1st October 1935.

The Governor's proposal was approved in principle and it was suggested that he should explore the matter further with Mr. Goodenough. It was also thought advisable that he should take Lord Ashfield into consultation.

~~HE 32~~
CT 70 03

With reference to the Minutes of the 30th May, the Governor said that if Mr. Newman was to be eligible for re-election to the Court it would be necessary to hold the General Court in 1935 on the 26th and 27th March. The Committee were of opinion that the Election should be held on those dates.

~~HE 35~~
CT 72.

The Governor called attention to the changed scope of the Secretary's Department and read to the Committee a memorandum instructing the Secretary to bear in mind that records of discussions and Minutes of the Committee of Treasury would continue to be in the personal custody of himself, his Deputy and a chosen Assistant, by whom they were to be treated as secret. They were in no event to be available directly or indirectly to the remainder of the Department or to others.

Wednesday, the 13th June, 1934.

Present:-

The Governor,
The Deputy
Governor,
Mr. Grenfell,
Mr. Shaw,
Sir J. Stamp,
Mr. Hambro,
Sir A. Duncan
Sir E. 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 -
Weekly Reports on Central Banks.
Fortnightly letter to Dominion Central Banks.

It was agreed to recommend to the Court that the following persons be granted pensions under the provisions of the Trust Deed of the Superannuation Fund:

- (1) J. D. Proffitt, an Auxiliary Male Clerk who will attain the age of 65 years on the 23rd June: service 17 years: £153 a year from the 24th June inclusive in accordance with the scale.
- (2) D. Elliott-Lockhart, Principal of the Chief Accountants Correspondence Office: age 62 years: service 44 years: equal to full salary for six months from the 1st September inclusive and thereafter £1,008: 11: 8 a year in accordance with the scale.

A Minute of the Staff Committee recommending certain appointments and the adoption of revised Regulations in regard to Pensions was submitted and referred to the Court, with the exception that the Pensions Regulations were held over for further consideration

a

13th June 1934

A Minute of the Committee on St. Lucia's recommending an appointment was submitted and referred to the Court.

~~HE 36~~
CT. 90 07

The Governor informed the Committee that by arrangement with Mr Cooper he had asked Professor Clay to attend the Trade and Industry Committee of the House of Commons on Tuesday, the 19th June.

~~HE 37~~
CT. 32 01

The Governor laid before the Committee correspondence which had passed between himself and Sir Samuel Hoare as to the selection of a Governor for the new Indian Reserve Bank, in which the Governor had stated that in all the circumstances Sir Osborne Smith was, in his view, the right - indeed the only possible - choice.

~~HE 40~~
CT. 4 01

With reference to the funds of [redacted] a subject which had been before the Committee on the 25th April last, the Governor said that an arrangement had now been made under which Mr [redacted] of the London Office would recommend to his Head Office the transfer to the Bank of England of the management and custody of the sterling funds of the Note Issue Department of [redacted] amounting at present to about £20 million; these funds to be invested in Treasury Bills by the Bank. The banking funds in London were also in Treasury Bills or in loans to the Market and Mr [redacted] was prepared to make no sales or purchases of these Bills except in consultation with the Bank of England, and would also be ready to co-operate in regard to call money. He would also propose an increase in the balance maintained by [redacted] on Current Account with [redacted]

13th June, 1934 with the Bank of England.

While this arrangement marked an advance and was welcome in practice as a first step, the Governor questioned whether the correct principle had been followed and the correct precedent created. These Banking funds in London covered central banking, as well as commercial balances and the concentration of the former in whole or in part could properly be claimed by the Bank of England both on its merits, and as a precedent. A similar claim towards exclusive relations in London would be valid.

With reference to the Minutes of the 20th May, the Governor proposed that in accordance with the suggestion of the Chairman of the Clearing Bankers 100 guineas should be subscribed to the Tower Hill Improvement Scheme. He reminded the Committee of the fact that special appeals for Fairbridge, to which he would propose a maximum subscription of £500, and for the University of London, for which no figure was put forward, were also pending.

In view of the difficulties constantly recurring in connection with such special appeals, the Committee felt that both from the point of view of the Directors themselves and of the Bank, it would be wise in future to contribute only to appeals which were not solicited by individual Directors.

The Governor informed the Committee that no matters of importance had come before the Board at the meeting of the Bank for International Settlements on the 11th June, except that it had been decided to set up a secret Committee of three members - Signor Beneduce, M. de Vogue and Sir Otto Niemeyer - to consider questions regarding international indebtedness. This Committee was to make oral recommendations to the next Board meeting in July.

ET. 100

HB78

The

13th June, 1934HE 16
ET 45

The Governor acquainted the Committee with the substance of conversations he had held with Dr. Schacht last week on the position of Germany and on the prospect of there being an early transfer moratorium. Should this lead to the proposal by the British Government of a clearing between this country and Germany, it might be advisable for Bankers to make a formal protest to the Chancellor.

Wednesday, 20th June, 1934.

Present:—

The Governor,
The Deputy Governor,
Mr. Greenfell,
Mr. Shaw,
Mr. Hambro,
Sir A. Duncan,
Sir E. Peacock,
Lord Hyndley

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 June Meeting of the Board of the Bank for International Settlements.

Report of the Committee on Advances and Discounts on the Discount business of the Bank for the month of May.

It was agreed to recommend to the Court that the following pensions be granted—

F. J. Loynes, an Auxiliary Male Clerk, age 51 years, Service 18 years: Pension equal to full salary for three months from the 22nd June inclusive and thereafter £162 a year according to scale, under the provisions of the Trust Deed of the Superannuation Fund.

The

20th June 1934.

The following, were submitted, and referred to the Court -

Two Minutes of the Staff Committee, one recommending an appointment and the other recommending the adoption of revised Pensions Regulations.

A Minute of the Committee on Advances & Discounts recommending the opening of a Discount Account.

On the subject of Pensions Regulations the Deputy Governor said that he had now satisfied himself as to the alterations proposed. There were few changes of substance. One was that in future there would be no exceptions to the rule that all pensions should be dealt with by the Court.

With reference to the Minutes of the 23rd May, the Deputy Governor stated that there was no longer any justification for leaving the Accountant's Bank Note Office in a Department concerned wholly with the registration and transfer of Stocks. As the Bank Note Office acted as a check upon the Issue Office it would be inappropriate to attach it to the Cashier's Department and it was therefore proposed to allocate it to the Secretary's Department. It was agreed to recommend this arrangement to the Court.

The Governor acquainted the Committee with the following matters -

(1) The Joint Committee of British Short-Term Creditors were preparing a Memorandum mainly concerning Standstill debts and the possibility of an Anglo-German Clearing. The Governor had advised that any direct representations to the Chancellor should be on behalf of all Bankers and not merely those connected with the Standstill.

2. A letter

HE 6th
CT-45

20th June, 1934~~HE 38~~

CT. 119

(2) A letter, dated 9th May, had been received from the Chairman of the Commonwealth Bank, of Australia asking that certain confidential information might be supplied to him by cable weekly. It was proposed to do what was possible to assist the Chairman in this way.

~~HE 38~~

CT 45

(3) On his way from Eastern Europe, Mr. Siepmann would be visiting the Reichsbank this week, as it was important that friendly relationships should be maintained between the two Central Banks at a time when politics and debts might tend to subject such relationships to strain.

~~HE 36~~

CT 90 07

(4) When Professor Clay visited the House of Commons on 19th June several Members had complained of the apathy and silence of the Commercial Banks and, though not so strongly, of the Bank of England itself, in the face of criticisms and discussion of the monetary system.

~~HE 31~~

(1)

CT 192

The Governor read a memorandum on the present position of Armstrong Whitworth Co, a subject last raised before the Committee of Treasury on the 3rd June 1931. The state of affairs disclosed was unsatisfactory and a further decision would have to be taken in the near future.

~~HE 29~~

CT 37

The Governor also read a cablegram he had arranged should be despatched to Mr. Bennett informing him that the Bank were taking steps to safeguard the arrangement under which for the present the Dominion Government should be the only Canadian borrower on the London Market.

~~HE 37~~

CT 37 02

With reference to the Minutes of the 6th June concerning the Canadian Railways, the Governor stated that the Chancellor, before expressing approval of the secret Memorandum dated

20th June,
1934
HE 34
CT 37-02

dated the 28th May last, had pointed out that the Railways could not be dealt with in isolation as they were only one part of the transport systems.

In particular, account must be taken of the St. Lawrence Waterways Scheme. Mr Bennett, personally or through Mr Herdell, was believed to be deeply committed in regard to this proposal, and it was understood that Mr. Roosevelt was prepared to re-introduce the Bill which was thrown out by the American Congress somewhat unexpectedly. This scheme would eventually involve large expenditure by the U.S.A. and by Canada and the latter country might expect to finance itself in London. The serious aspect of the matter from the point of view of the Railways was that the Waterways Scheme would sooner or later provide a route for the transport of grain, &c, to the Atlantic seaboard and this competition would be likely to undermine the financial structure of the Railways if this should be established upon the present basis.

The prospects of motor competition would also need investigation.

On the proposal of the Deputy Governor the Committee agreed to recommend to the Court that the basic salary of the Secretary should be increased from £2,750 to £3,000 per annum, subject to the appropriate reduction on account of "Risk Money" in respect of the current year, in accordance with Orders of Court of the 18th February 1926 and 3rd August 1933; this increase to date from the 1st June 1934.

Wednesday, the 27th June, 1934

Present -

The Governor
The Deputy Governor
Mr Grenfell
Sir Josiah Stamp
Mr Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Hynodley

The draft minutes 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 following were submitted -
Weekly Reports on Central Banks.
Fortnightly letter to Dominion Central Banks.

The following were submitted and referred to the Court -

1. Mr [redacted], widow of [redacted], a Pensioner, formerly a Cashier. Allowance of £60 a year to be granted in accordance with the scale.

2. Advisory Council. The representatives of the Court for the ensuing year to be -

Sir Alan Anderson (Chairman)
Mr Gladstone
Lord Hynodley
Mr Blegg
Mr Walker
Mr [redacted]

3. A letter from Sir Alan Anderson asking permission to join the Board of Lakeside Estate Ltd, a subsidiary of the L.M.S. Railway.

With further reference to the minutes of the 23rd May, the Deputy Governor stated that certain alterations of a formal character would

27th June 1934 would be required in the "Regulations affecting the General Conduct of Business at the Head Office and Branches". The changes would consist of the substitution of the Secretary for the Chief Accountant as one of the Bank's nominees for inscribed or registered Stock and as a custodian of certain duplicate Keys. The Committee agreed to recommend the necessary amendments to the Court.

~~1046~~
ex. 15

The Governor acquainted the Committee that he had agreed to act, jointly with the Governor of the National Bank of Roumania, in appointing an arbitrator, should one be required, in connection with the status of the Sterling Tranche of the Roumanian Stabilisation Loan of 1929.

Secretary's
"Confidential"
File

The Governor said that, for the sake of regularity, he wished to bring before the Committee a letter from Mr. Grenfell concerning changes in the constitution of Messrs Morgan Grenfell & Co. The letter reached the Bank too late for Committee on 20th June and, as they knew, the members of the Court, on the following day, intimated their consent to Mr. Grenfell's becoming a Director of the new limited Company.

Wednesday, the 4th July 1934

Present:-

The Governor
The Deputy Governor
Mr. Grenfell
Sir Josiah Stamp
Sir Andrew Duncan
Sir Edward Peacock

The draft minutes 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

~~2nd June 1934~~
4th July

were submitted

It was agreed to recommend to the Board the following Allowance and Pensions, the latter in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund -

Wm. [redacted], Widow of [redacted] formerly a Superintendent in the Dividend Accounts Office: an Allowance according to scale of £38 a year from the 3rd May last inclusive.

W. S. Alexander, an Auxiliary Trade Clerk, age 65 years service 15 years: Pension of £105 a year from the 9th July inclusive.

H. A. Buis, a Superintendent in the Issue Office, age 64 years; service 45 years: Pension of £498. 7. 8 a year from the 1st October next inclusive.

~~HE 16~~
CT 45

with reference to the minutes of the 20th June on the subject of Anglo-German Clearing, the Governor laid before the Committee a letter from the Chancellor of the Exchequer dated the 26th June and read a letter which he himself had written to Mr. Starks, dated the 23rd June, of which the Chancellor had expressed his entire approval.

~~HE 20~~
CT 4.01

with reference to the minutes of the 13th June concerning the arrangement which had been made for the transfer to the Bank of England of certain London funds of [redacted] the Governor read

~~27th June~~ 1934
4th July

read a letter which he had written to Sir Claude Reading on the 27th June, calling attention to the need for full co-operation on the part of Empire Central Banks in view of the responsibility that rests upon the Bank of England for the management of sterling in which form the central reserves of most Empire countries are held.

On the suggestion of the Governor it was decided to recommend to the Court that the Standing Committee "to consider the Securities of Certain Funds" be requested to include in their quarterly examinations the Securities held for any funds of which the Governor ex officio now is or may in future become a Trustee.

HE 36
CT 90 07

With reference to the minutes of the 20th June concerning Professor Clay's visit to the House of Commons and to the question of instituting some temporary organisation to undertake the defence of the Banking System against ill-informed attacks, the Governor read two memoranda: one proposed that a Committee should be set up independently of the Banks but supported by them, employing as Director Mr. O. R. Hobson, and stated that Sir Robert Kindersley might be prepared to take the initiative in forming such an organisation; the other (to be handed to Sir Robert Kindersley) set forth ideas as to the composition and main objectives of the Committee and stated that a guarantee for two years of a minimum annual income of £5,000 or £6,000 should be secured. The Committee agreed that Sir Robert Kindersley should be invited to organise the scheme & committee, with Mr. Hobson as Director, and that the Bank should give him their moral and financial support, the latter to the extent of, say, £2,000 a year for two years.

The Governor

~~1934~~ 1934
4th July

The Governor acquainted the Committee of the following matters-

~~LE 40~~
ET 135.

1. A Financial Adviser might be required to accompany a mission which it was proposed should be sent by the Federation of British Industries to Manchukuo in about two months' time, a mission which would not be official but which would have the approval and goodwill of His Majesty's Government. The Adviser should have no connection with the Consortium. The names of several persons who might properly be recommended for such an appointment were mentioned.

~~LE 40~~
ET 179.

2. It was proposed to establish in Scotland an Advisory Board of Credit for Industry Ltd consisting of Sir James Lithgow, Mr W. Henderson, Sir A. Steven Bilsland and Mr W. Whyte, with Mr Gibson Jarvis as Chairman, a project which the Governor regarded favourably.

~~LE 40~~
ET 37

3. With reference to the minutes of the 20th June concerning Canadian borrowings on the London market, a cablegram had been received from Mr Bennett indicating that he was fully in accord with the Governor's views.

Wednesday, the 11th July, 1934

Present -
a full Committee

The draft minutes of the last Committee were read and approved.

The weekly Statement of discount 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
Fortnightly Letter to Dominion Central Banks.

The following were submitted and referred to the Court -

- (1) P. J. G. Elliott, an Auxiliary Male Clerk, age 65 years, service 18 years, pension as from the 20th July inclusive of £102 a year according to the scale under the provisions of the Trust Deed of the Superannuation Fund.
- (2) Dr. [redacted] Re-appointment as Medical Officer of the Bank for a further period of three years from the 1st October next, under the existing terms and conditions.

It was agreed to recommend to the Court

1. That a General Court to consider of a Dividend be held on Thursday, the 20th September.
2. That in accordance with the suggestion contained in the minutes of the 13th June, a donation of £500 should be made to the Child Emigration Society

11th July 1934

Society in connection with their appeal for the Davilbridge Lane School; this recommendation not to go forward until the decision of the clearing Bankers as to the amount of their donation should be known.

~~1850~~
CT 70.04

3. That Sir Basil Blackett should be granted permission to become a Director and Chairman of the Kolhapur Hydro-Electric and Aluminium Co. Ltd. if and when that Company is registered, in accordance with his request of the 2nd July.

The Governor informed the Committee that no business of importance had been transacted at the meeting of the Board of Directors of the Bank for International Settlements held on Monday, the 9th July, when the Governor of the Federal Reserve Bank of New York was a visitor at Basle for the first time. In spite of increasing difficulties in several of their countries the members of the Gold Bloc reiterated their individual capacity and determination to maintain the Gold Standard.

~~1878~~
CT 100.06

Wednesday, the 18th July, 1924.

Present:-

The Deputy
Governor,
Mr. Grenfell,
Mr. Shaw,
Sir J. Stamp,
Mr. Hambro,
Sir A. Sauran,
Sir T. Peacock,
Lord Helyar.

The Draft Minutes 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 -

- (a) Weekly Reports on Central Banks;
- (b) Draft Minutes of the July Meeting of the Board of the Bank for International Settlements;
- (c) The Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of June.

It was agreed to recommend to the Court that Mrs. [redacted] widow of [redacted] formerly a Senior Clerk in the Drawing Office, be granted an Allowance according to the scale of £52 a year from the 7th July inclusive.

The following were submitted and referred to the Court -

- (a) Quarterly Report of the Staff Committee;
- (b) A letter from Mr Shaw asking permission to become a Director of the Cheerie Valley Tea Company and the Craigpark Tea Company;
- (c) Minute of the Staff Committee recommending certain appointments &c.

On the proposal of Mr Clegg, the Committee agreed that the Annual Grant allowed by the Governor and Company to the Bank of England Operatic, Dramatic & Orchestral Society be renewed for three years on the undermentioned terms:-
That the Grant be of £200 - £250 a year on the following conditions:-

- (a) The total

18th July,
1934

- (a) The total amount not to exceed £600 during the next three years;
- (b) The Grant to be renewed annually and extended for a further year if the Bank consider it desirable;
- (c) That the Society continues to be well supported by the Staff.

HE#1
CT67.04

The Committee also agreed that the Bank of England Musical Society should be absolved from repaying the loan of £50 made by the Bank to cover the preliminary expenses in connection with the Concert given by the Society at the Queen's Hall on the 16th March 1934 and that, in order to assist the Society in making satisfactory arrangements for the future and subject to annual review, the Bank should make a triennial contribution to the Society's funds of not more than £100, on the understanding that the proportion of the contribution paid in any one year should not exceed the sum of £50 and that, as in the case of the Operatic, Dramatic & Orchestral Society, this arrangement be extended from year to year if the Bank consider it desirable and if evidence is produced that the Society is well supported by the Staff.

H 15
CT 88

The Deputy Governor informed the Committee that the President of the London Chamber of Commerce, Sir Stephen Demetriadi, had called upon the Governor on the 12th July, Sir Alan Anderson and Professor Clay also being present. The Governor had said that it was his policy to maintain close and friendly relations with the chief public organisations that might concern themselves with monetary policy. He wished to establish the same arrangements with the London Chamber of Commerce and he thought it unfortunate that any representative of a business organisation should

Should

18th July,
1934

should put out reports and proposals on monetary policy without discussing them privately with the Bank. Sir Stephen Demetriadi explained that his policy in this matter of the Chamber's monetary policy was at the moment to mark time. He welcomed the Governor's remarks, and it was agreed that a private informal meeting with the Bank should be held every quarter or half-year, the first of such meetings to take place this Autumn.

Wednesday, the 25th July 1934.

Present:-

The Deputy Governor
Mr. Cheffell
Sir Josiah Stamp
Mr. Hambro
Sir Andrew Duncan
Sir Edward Pearce
Lord Haldley

The draft minutes 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 Letters to Dominion Central Banks.

It was agreed to recommend to the Court of Directors that Walter de Costa Keyes, an Auxiliary Male Clerk, service 15 years, age 60, be granted a pension on account of ill-health, the pension to be £135 a year from the 1st October next inclusive in accordance with the scale, under the provisions of the Trust Deed of the Superannuation Fund.

A Report of the Committee on the Rebuilding of the Bank was laid before the Committee suggesting that an inscription should be placed

61
25th July 1934

placed round the dome over the public way which is to be made through the Twoli Corner, the inscription to read -

The Bank made this way through Twoli Corner for the Citizens of London. A.D. 1425.
The Committee were of opinion that before recommending this proposal to the Court steps should be taken to ascertain from the Bank's Solicitors that such an inscription could not have any adverse effect upon the Bank's legal rights.

The Deputy Governor acquainted the Committee of the following matters -

~~HE 16~~
CT 45 +
CT 45 01

(a) He had received a letter from the Chancellor stating that in all the circumstances he felt it would be in the public interest that the Bank of England should undertake to act as paying Agents for the German 5% Funding Bonds. The Bank had no option but to accede to the Chancellor's wishes.

~~HE 16~~
CT 76 01

(b) An application had been made by the father of [redacted] (a Clerk recently prosecuted for forgery and acquitted), asking for assistance in meeting the legal expenses which had been incurred in the defence of his Son. Messrs Freshfield, Jeese & Meuns had recommended making an ex gratia payment of £100. The amount of the costs were not known, but Mr William Jeese thought it likely that they would be in the neighbourhood of £150/200. The Committee were of opinion that the Bank's Solicitors should endeavour to ascertain more closely the sum involved, and that the Bank might then make a grant of a round amount such

as

25th July 1934

as would more nearly cover the full expenses.

On the proposal of the Deputy Governor the Committee agreed to recommend to the Court that a matrix of the Common Seal of the Bank should be prepared at St. Luke's in order that an improved and simplified method of applying the Seal to documents might be adopted, and that in this connection a piece of soft lead or wax should be impressed with the Bank's Seal, such impression to be kept under control of the Auditor, the Supervisor of the Printing Section and the Supervisor of the Security Paper Store at St. Luke's while the matrix is being prepared therefrom.

Wednesday, the 1st August, 1934

Present -

The Deputy Governor
Mr. Chenfell
Mr. Hambro
Sir Andrew Duncan
and
Lord Hymdley.

The draft minutes 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.

Weekly Reports on Central Banks were submitted.

The following were submitted and referred to the Court -

(a) Quarterly Report of the Staff Committee on ~~Audits~~ ~~taken~~ deficiencies in the Cash, &c.

(b) Quarterly Report of the Audit Committee on Audits taken between the 16th April and the 12th July 1934.

(c) Pensions

1st August 1924

(c) Pensions:

H. W. Townsend, Principal of the Sub-Treasury, age 65 years, service 45 years to be granted a pension of £825 4s a year as from the 6th August inclusive according to the scale and under the provisions of the Trust Deed of the Superannuation Fund.

Richard Goodhall, an Auxiliary Male Clerk, age 65 years, service 18 years to be granted a pension according to scale of £165 a year as from the 12th August inclusive.

Margery Gillan, an Auxiliary Woman Clerk, age 49 years, service 16 years to be granted a pension according to scale of £64 a year as from the 10th August inclusive.

The Deputy Governor acquainted the Committee of the following matters, the first two of which had been referred to on the 25th July -

(a) He had been informed by the Bank's Solicitors that the inscription which it is proposed should be placed round the dome over the public way to be made through the Triatic Corridor would not, in their opinion, have any adverse effect upon the Bank's legal rights. The Committee agreed to submit the proposal to the Court.

~~HE 42~~
CT 76-01

(b) The Bank's Solicitors had ascertained that the legal expenses which the father of would incur in connection with the recent prosecution

1st August 1934 prosecution would be a little over £500. The Committee were of opinion that the Bank should make Mr Kent an ex gratia payment of £500.

CS 135 HE 40

(c) Sir Charles Seligman had agreed to act as financial adviser to the mission which the Federation of British Industries were about to send to Manchukuo. This matter had been mentioned to the Committee by the Governor on the 4th July.

HE 40

et. 1.

(d) The Irish Currency Commission had informed the Bank some time ago of the intention of the Government of the Irish Free State to hold a banking enquiry, and that they wished for the assistance of two outside experts. The Deputy Governor had suggested Professor Gregory as one, and it was understood that he had agreed to act. The Bank of England and the Bank for International Settlements had each been asked recently to advise as to the selection of a second expert, and both had suggested Mr Per Jacobsson.

Wednesday, the 8th August, 1934.

Present:-

The Deputy Governor
Mr Herfell
Mr Hambro
Lord Stynalley

The draft minutes 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 usual fortnightly letter to Dominion Central Banks was submitted.

It was

8th August 1934

It was agreed to recommend to the Court of Directors that Henry Ursell, a Compositor at St. Luke's Printing Works, age 65 years, total service 21 years, be granted a pension of £84.14.4 per annum, during pleasure and in accordance with the scale, from the 30th August inclusive.

The Deputy Governor acquainted the Committee of the following matters -

~~HE 38~~
CT 119.

1. With reference to the Minutes of the 20th June as to the request of the Chairman of the Commonwealth Bank of Australia that certain confidential information might be supplied to him by cable weekly, the first of such cables had been despatched to him on the 1st August, a copy of which was laid upon the table; the Bank had also asked the Chairman to acquaint them with his observations as to whether weekly cables in this form would fulfil the requirements he had in mind.

~~HE 37~~
CT 37

2. With reference to the Minutes of the 4th July and earlier regarding the understanding which had been arrived at between Mr. Bennett and the Governor in connection with Canadian Borrowings on the London Market, enquiries from two quarters had recently been addressed to the Treasury and the Bank respectively, as to whether issues, long or short, might be made in London on behalf of Canadian Municipalities. The situation had been explained in both cases and the enquirers had been informed that approval would not be given for such issues, whether placed publicly or privately.

3. Following

5th August
1924.
F.E. 16
CT. 45

3. Following the exchange of letters appended to the recent Anglo-German Transfer Agreement, negotiations have been proceeding between His Majesty's Government and the German Government for the conclusion of an Exchange Agreement. These negotiations have reached an advanced stage and it is probable that the Agreement will be signed to-morrow, the 9th August. The Bank have already agreed informally that, when the Agreement is completed and upon receipt of an official request from His Majesty's Government, they will open a Special Account with the Reichsbank to which, under certain conditions and within certain limits, Reichsmarks may be paid in settlement of debts in respect of imports into Germany from the United Kingdom. The Bank will be indemnified by His Majesty's Government in respect of all transactions carried out in connection with the Special Account; they will also receive a payment to cover expenses.

Wednesday, the 15th August 1924.

Present:-

The Deputy Governor
Mr Hambro
Sir Edward Pearce
Lord Hyndley

The ^{draft} Minutes 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 following were submitted:-

- (a) Weekly Reports on Central Banks.
- (b) Report of the Committee on Advances and Discounts on the Discount business of the Bank for the month of July, and on Special Advances.

The following

15th August 1924

The following were submitted and referred to the Court -

- (a) Minute of the Committee on Advances and Discounts recommending the continuance of facilities granted to certain customers in regard to Advances, etc.
- (b) Minute of the Staff Committee recommending appointments, etc.

It was agreed to recommend to the Court of Directors -

- (a) That permission be granted under the provisions of the Trust Deed of the Superannuation Fund to the following persons:-
- (i) John Hildbreth, an Auxiliary Male Clerk, age 65 years; service 15 years; £135 a year from the 26th August, inclusive, in accordance with the scale.
- (ii) Reginald Greenhill, an Auxiliary Male Clerk, age 44 years; service 15 years, whose resignation was called for by the Court on the 22nd February last; £135 a year from the 1st September, inclusive, in accordance with the scale.
- (b) That permission be granted to [redacted] to open a Drawing Account.
- (c) That Sir Edward Flawler be granted permission to become a member of a proposed Royal Commission on Lather.

See: % 16.5.1934

In this

15th August 1924

68

In this connection the Deputy Governor stated that the Treasury, with whom he had been in touch and at whose instance Sir Edward Pearce had been approached, attach great importance to the inclusion of Sir Edward's name as one of the members: he had ascertained that the composition of the Commission, which would consist of five persons, would be non-political in character, and in view of this assurance he had undertaken to submit the proposal to the Court for their formal approval. Pending the issue of an announcement by the Treasury, which however is expected shortly, the matter is still confidential.

H. J. 70.

CT 60-12.

A memorandum by the Chief Cashier was submitted recommending that, as from the 16th August, the lists of the holders of certain appointments to be "ex-officio" Officials-in-Charge or "eligible for appointment" as such, be altered consequent upon recent and pending changes in the internal administration of the Bank: the number of Officials-in-Charge to remain unchanged at 15. These proposals were approved.

H. J. 28.

CT-28

With reference to the recent visit of [redacted] to San Salvador to advise the Government there on Central Banking matters, a subject which had been mentioned to the Committee on the 4th October last, the Deputy Governor read to the Committee the following letters -

- (a) From the Treasury expressing their appreciation of the work of the mission now successfully concluded and of the services rendered by the individuals concerned.
- (b) From Mr. [redacted] of the firm of J.P. Armstrong & Co., Guatemala, addressed to

the

15th August 1934

the Council of Foreign Bondholders, containing a tribute to Mr. [redacted] qualifications, to which the writer assigns the success of the mission.

Wednesday, the 22nd August, 1934

Present -

The Governor
The Deputy Governor
Lord Lyndalof.

The draft minutes of the last Committee were read and agreed.

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

Arising therefrom:

CT 36

~~1577~~

(1) A cablegram from the Governor of the South African Reserve Bank was read which stated that no change in policy is indicated by the fact that gold shipments from the Cape have been suspended during the past four weeks; this suspension is temporary and merely due to the fact that Gold held in South Africa threatened to fall below the amount required by Statute.

1455

CT 118

CT 50 09

(2) Reference was made to two Suspense Accounts, namely -

(a) Guarantee for Commercial Bills (held for Central Banks)

(b) % Central Banking.

mentioned respectively in the minutes of the 23rd February 1927 and the 16th January 1929, to which sums have been set aside from time to time to build up a reserve against the Bank's contingent liability in respect of Bills of Exchange held for Central Banks and as a safeguard against the peculiar hazards of Central Banking business.

It was mentioned, however, that the original

25th August.
1934

original need for these reserves had now disappeared and as it had never been the intention of the Bank to benefit by any profit on Central Banking business it was proposed to continue to hold these accounts against such holdings and accounts as were directly connected with Central Banking business.

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

The following were submitted -
 Weekly Reports on Central Banks
 Fortnightly Letters to Dominion Central Banks.

The Governor outlined his impressions of conditions generally in the United States of America gained as a result of his recent visit to that country.

CT 44.

Wednesday, the 29th August 1934

Present:-

The Governor
The Deputy Governor
Sir Edward Peacock
Lord Hymett

The draft Minutes of the last Meeting were agreed as amended.

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 Governor informed the Committee that the estimated profits for the half-year ending 31st August 1934 after deducting all charges (including Income Tax) and providing for a dividend of 6 per cent. amounted to £570,000.

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

- | | |
|---|----------|
| (a) To writing off the amount expended on
Mechanisation Equipment during the half year | £36,000 |
| (b) To Suspense Account - Reserve for Pensions | 534,000 |
| | £570,000 |

In this connection and with reference to the Minutes of the last Meeting concerning two Suspense Accounts, viz:-

- (i) Guarantee for Commercial Bills (held for Central Banks)
- (ii) of a Central Banking,

the Governor stated that these accounts would be amalgamated in the General Ledger under the title "Suspense Account of a Central Banking" and that this account would be held against such holdings and accounts as were directly connected with Central Banking business: eg.

Bank's holding of Shares of the Bank for International Settlements

Bank's complimentary accounts with certain Central Banks.

~~1E 45~~
CT 50:04

~~1A 55~~
CT 50 04
CT 50 09

29th August
1934.

The Governor acquainted the Committee of the following matters -

HE 46
ET 45

(1) He had received a letter from *S^r Schacht* which contained the information that during the absence of the appropriate Minister he had been entrusted with the management of the Ministry of Economy. The Governor read a letter dated the 23rd August which he had written in reply.

HE 47
ET 44

(2) With reference to the Minutes of the 2nd May last, he outlined briefly recent events relating to the arrangements covering the business relations between the Bank and the Federal Reserve Bank, and read a letter dated the 22nd August which he had written to *Mr. Harrison* stating that the existing arrangements were generally satisfactory, but that owing to the altered circumstances of to-day they could not be reduced to formal terms.

HE 37
ET 32.01

(3) *Sir Osborne Smith* who, he had reason to believe, would shortly be designated Governor of the new Indian Reserve Bank, and *Mr. J. B. Taylor*, who it was expected would be designated one of the Deputy Governors towards the end of the year, were in this country and he had, for the convenience of all concerned, placed at their disposal a room in the Bank.

HE 53
ET 189

Sir Edward Peacock, mentioned to the Committee that the Bankers Industrial Development Company at their Board Meeting to-morrow, the 30th August, would formally confirm the arrangements under which advances would be made to the British (*Guest Keen Baldwins*) Iron and Steel Company.

Wednesday, the 5th September 1934.

Present:-

The Governor
The Deputy Governor
Sir Andrew Duncan
Sir I. Peacock
Lord Hyndley

The Draft Minutes of the last Meeting 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.

It was agreed to recommend to the Court that Mr. J. Jenkins, an Auxiliary Woman Clerk, who would attain the age of 50 years on the 12th September, be granted, as from the 1st September inclusive, a pension of £69 a year in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund.

ct 119 HE 7
ct 119 02

The Governor reminded the Committee that Delegates from the Empire, including probably Dominion Prime Ministers, will be visiting London in May of next year. He was wondering whether it would be wise to suggest to the Governors of Empire Central Banks that they should pay a similar visit and whilst here meet together at the Bank of England for the discussion of matters of mutual interest, in the hope that it might be possible to agree on some basis of common policy. The Committee discussed the possible advantages and disadvantages of such a meeting, and the matter was left for further consideration.

The

5th Sept. 1934.

The Governor acquainted the Committee of the following matters -

LE 26

CT 90.07

1. Proposed Banking Information & Research Committee

He had received a letter from Sir Robert Kindersley, showing he had been successful in getting the agreement of all but one of the large clearing banks but stating that he was ill and would not be able to attend the next meeting of the organising body towards the end of September. The Committee were of opinion that no further step should be taken in the matter until Sir Robert Kindersley was again available.

LE 48

CT 70

CT 70.04

2. Mr. Gladstone had told the Governor that he had been asked to become Vice-President of the Liberal North-Eastern Organisation in Scotland and proposed to ask the Court's permission. The Governor thought this raised an important point of principle. He did not regard it as at all advisable that Directors of the Bank should be prominently associated with any political party or parties. No decision was reached on this question.

3. Securities Management Trust:

LE 61

(1)

CT 192

Armstrong Whitworths & Co. With reference to the Minutes of the 20th June last, the Governor said that Mr Bruce Gardner might now be regarded as, in effect, the Managing Director, for the purpose of safeguarding the Debenture holders and possibly of promoting an eventual reorganisation in the interest of the Shareholders. Colonel Sonides, the Deputy Chairman, was still ill and might therefore be obliged to resign. The Shipyards had recently been sold for a fair sum and this would save £40000 a year. Suggestions were being considered for dealing with the ship mortgages and might involve the disposal of other important assets. The Saurer business was unsatisfactory and present arrangements must be terminated.

Armstrong &

5th Sept 1934

Armstrong's held about one-third of the Ordinary Shares of Vickers-Armstrong's and an offer of 1/- per Share had been received from Vickers for three Shares, conditional on their being able to acquire all Shares not now in their hands. The Governor was of opinion that Armstrong's should not sell their Shares at this price.

~~1000~~
CT 186

William Beardmore & Co. Ltd. About £300,000 will be realised by the sale of Mossend and of certain rights of manufacture formerly exercised at Dalmeir. Negotiations for the formation of a new Anglo-German Siesel Company may dispose of Beardmore's Siesel problem at Dalmeir.

~~1000~~
CT 90 03
CT 117

On the previous day the Governor happened to meet Mr. [redacted], the Vice-President of [redacted] who had asked whether it would not now be possible for the [redacted] to have an account at the Bank of England, who would regard their Bills as Prime Bankers' Paper. The Governor had replied that the exclusion of all such Banks from facilities at the Bank of England was essential and permanent; it was a question of principle and not of personalities. The Committee would remember that the matter had often been before them; references were recorded, for example, in the Minutes of the 8th April and 3rd June 1925, 10th March 1926 and 1st May 1929.

~~1000~~
CT 122

5. Anglo-South American Bank.

As the Committee knew, Mr. Drexel had given up all other work in view of his ^{present} connection with the Anglo-South American Bank, the intention being that he should eventually succeed

5th Sept 1934

Sir Bertram Hornsey. Mr Drexel had, however, recently called on the Governor and expressed doubts as to the future of that Bank, and as to the possibility of his bringing it through difficult times with success. The Governor had pointed a number of reasons why it was necessary for Mr Drexel to remain and why the Governor should continue to rely on him as a permanent helper.

LE 49
CT. 57. 01

The Deputy Governor informed the Committee that the Lord Mayor was thinking of raising a subscription for a present to Prince George on his wedding and had asked for the Bank's advice. The proposal was still unformulated as Royal approval would be sought before proceeding further.

Wednesday, the 12th September 1934

Present:

The Governor,
The Deputy
Governor,
Mr. Grenfell,
Sir A. Duncan,
Lord Hurdley

The draft Minutes of the last Meeting 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 half-yearly Accounts of St. Luke's Printing Works and of the Works Department were submitted and referred to the Court.

The Governor acquainted the Committee of the following matters -

(1) With

12th Sept 1934LC 53
CT 189
CT 171

(1) With reference to the Minutes of the 5th and 12th July 1933, a Second Report on "The Banks and Industry" had been prepared covering the last twelve months and could be seen by Members of the Committee in the Secretary's Office.

LC 53
CT 189

Under the Articles of Association the existence of the Bankers' Industrial Development Company would terminate in February next unless arrangements for extending its life were made. The draft of a letter from the Governor to Mr. Campbell was read proposing to prolong the existence of the Company for a further five years, provided Mr. Campbell were prepared to remain as Chairman for this period and in the hope that the other Directors would also be available.

LC 57
CT 171

As regards The Securities Management Trust, the Governor informed the Committee that it was proposed that the Trust should continue although Mr. Hodges, Mr. Bischoff and Sir James Cooper would have terminated their connection with it by March 1935. In addition to the Governor, the remaining Directors would be Sir Andrew Duncan, Lord Hyndley, and Mr. Bruce Gardner, with Professor Clay as Economist. It was proposed that Mr. Bruce Gardner's engagement should be renewed either for five years at, say, £10,000 per annum, or for fifteen years at £7,000 per annum. Mr. Bruce Gardner would also be asked to suggest a suitable helper with industrial knowledge in order that his contacts with industry might be maintained in the case of his temporary absence.

LC 48
CT 70
CT 70 04

(2) With reference to the Minutes of the 5th September, the Governor read the draft of a letter which he proposed to send to Mr. Gladstone on the subject of the invitation which the latter had received to become a Vice President of the Scottish North Eastern Liberal Association. It stated
that

12th Sept 1934 that the Governor would prefer not to recommend a formal application by Mr. Gladstone to the Court and must leave it to him to decide whether or no to accept the invitation without reference to the Court.

H 16
CT 45

(3) Anglo-German Exchange Agreement. A letter to the Governor from Sir Frederick Keith-Ross and the Governor's reply, both dated the 10th September, were read. The Governor said that the arrangements referred to therein had no sooner been introduced than the Sondermark Agreement was on the point of being temporarily suspended.

H 29
CT 35

(4) A letter dated the 6th September 1934 from the Governor to the Governor of the New Zealand Reserve Bank was read, approving a suggestion that it was neither necessary nor desirable for New Zealand to wait for the stabilisation of sterling in relation to Gold before effecting a de jure stabilisation of her own currency on sterling. In general a similar policy might be adopted by other countries for whom sterling was the external currency of major importance.

H 34
CT 32 01

(5) Reserve Bank of India. Sir Osborne Smith was hoping to take to India two or three members of the Bank of England's staff who were conversant with the organisation of a Central Bank, and the Governor would facilitate the carrying out of his wishes.

H 51
Ac P 100
H 57
N/E

(6) Overseas Department and Dominion Central Banks. Owing to the increase in the work of the Department which would follow the establishment of three new Central Banks in the Empire, the Governor proposed to increase the number of Mr. Kershaw's assistants, and in this

connections

12th Sept. 1934

Connection to engage an expert from outside the Bank, probably from one of the Dominions. A suitable candidate had not yet been found.

~~LE 37~~
CT 37 02

(7) Canadian Railways. With reference to the Minutes of the 6th and 20th June last, the Governor said that the unfortunate death of Mr. Goodenough, who had not had an opportunity of securing the collaboration of Mr. Bennett and Mr. King, meant that the proposed Committee was in suspense. The Governor had asked Sir Edward Peacock to do what ^{he} could during his present visit to Canada to advance matters further.

~~LE 40~~
CT 50 04

The Secretary and the Acting Deputy Secretary produced to the Committee the Accounts of the Bank for the past half-year.

The Governor gave the Committee an explanation of the chief charges of interest in the Accounts and the Deputy Governor called their attention to the amount transferred to H.M. Treasury as the profits of issue - £52,000. This was the smallest sum in any half-year since the amalgamation of the Note Issues. A year ago the payment was about £5,900,000, which was the maximum for any half-year. These enormous variations, which were due to the accounting system adopted at the request of the Treasury, were for several reasons undesirable. Proposals for a revision of the present system with the object of avoiding such extreme variations were now being submitted to the Treasury.

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 5th October next of £6 per cent. less Income Tax.

Wednesday, the 19th September, 1934.

Present:—

The Governor,
The Deputy
Governor,
Mr. Grenfell,
Sir J. Stamp,
Mr. Hambro.

The draft Minutes of the last Meeting, were agreed as amended.

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;
Fortnightly Letter to Dominion Central Banks;
Report of the Committee on Advances and Discounts on the Discount business of the Bank, for the month of August.

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

1E47
CT 119
With reference to the Minutes of the 5th September, the Governor gave the Committee various reasons for believing that it would be inadvisable to invite the Governors of Empire Central Banks to pay a visit to London in May of next year.

1E70
CT 401
Commonwealth Banks. With reference to the Minutes of the 4th July, a letter from Sir Claude Reading dated the 13th August in reply to the Governor's letter of the 27th June was read to the Committee.

1E47
CT 57.01
Prince George's Wedding. With reference to the Minutes of the 5th September, the Deputy Governor stated that he had received a formal application from Sir George Truscott, written on behalf of the
Lord

19th Sept. 1934 Lord Mayor, inviting the Bank's co-operation in organising a presentation to Prince George on the occasion of his marriage, and the Committee agreed that in due course the Court be recommended to contribute in response to the Lord Mayor's invitation such sum, not exceeding £100, as may in the light of further information seem suitable.

Wednesday, the 26th September, 1934.

Present :-

The Governor,

The Deputy Governor,

Mr. Grenfell,

Mr. Hambro.

The draft Minutes of the last Meeting 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 -

(a) That pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to the following persons :-

(i) C. J. Hallett, an Auxiliary Male Clerk:

age 65 years: service 18 years:
£162 a year as from the 1st October inclusive in accordance with the scale.

(ii) A. V. Cox, a Temporary Porter: age 65 years:
service 16 years: £65 a year as from the 5th October inclusive in accordance with the scale.

26th Sept, 1934

(iii) Edwin Amies, an Auxiliary Male Clerk: age 64 years: service 19 years: £171 a year as from the 20th December inclusive in accordance with the scale.

(b) That the following Donations be made:

- (i) £500 to a Special Appeal by the Lord Mayor for the Gresford Colliery Disaster Fund.
- (ii) £100 to the Fund which is being raised at the Mansion House for a Wedding Gift to Prince George.

The Governor acquainted the Committee of the following matters -

+E 52
CT 85. (1) Stock Exchange: Saturday Opening. On the 21st September the Governor and Deputy Governor had been privately consulted on this subject by Members of the Stock Exchange Committee and had said that they saw no reason why the Stock Exchange should be closed on a Saturday or on any other business day. The Chancellor had taken the same view when approached by the Committee last year.

+E 50
CT 70 +
SEC. 2. (2) With reference to the Minutes of the 5th April 1933, the Governor called the attention of the Committee to a Speech by Sir Basil Blackett, reported in "The Times" of the 22nd September. As on more than one previous occasion the views expressed were of a nature likely to cause embarrassment to the Chancellor of the Exchequer and to the Governors.

+E 53
CT 50. 03 3% Funding Loans Issue. With reference to the Minutes of the 25th April last, the Deputy Governor said that the Bank's remuneration for the issue of Government Loans was not prescribed by Treasury Minute but that the customary charge was at the rate of £150 per million. If, however, the full charge were made in respect of loans a considerable

26th Sept. 1934.

considerable proportion of which was taken up by the Issue Department, the Bank would be making an unjustifiably large profit. In the case of the 2½% Conversion Loan we had, it would be remembered, reduced our charge to one-tenth of the normal rate, i.e., to £15 per million, on the Issue Department's holding. It was undesirable that exactly the same concession should be made upon every occasion, as this would tend to establish a scale which might not always be suitable. In the case of the Funding Loan we proposed to suggest to the Treasury a charge of £20 per million on that portion of the Loan which was taken up by the Issue Department.

The charge on Redemptions if applied to the holdings of the Issue Department might also sometimes be unduly high, but this question would not be raised with the Treasury at the present time: it was proposed to leave it for consideration in connection with conversion charges, which in cases where an Issue was held entirely or mainly by the Public were sometimes inadequate.

Wednesday, the 3rd October, 1934.

Present:

The Governor,
Mr. Grainger,
Mr. Hawtrey,
Sir A. Jemcott,
Lord Hymudley

The draft Minutes 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 alterations be recommended in the Bank Rate.

The following were submitted -

Weekly Reports on Central Banks.

Fortnightly Letter to Dominion Central Banks.

It was agreed to recommend the following pension and allowance, respectively, to the Court of Directors -

- (i) A. R. Smith, an Auxiliary Male Clerk: age 64 years: service 18 years: a pension of £162 a year from the 1st January 1935 inclusive, in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund.
- (ii) Mrs. [redacted] widow of [redacted] a Pensioner, formerly Messenger to the Secretary: an allowance of £18 a year from the 8th August last inclusive, under the Regulations governing the granting of allowances to the Widows of Porters.

The Governor acquainted the Committee of the following matters -

- (1) A private appeal to the City had been issued by the Lord Mayor on the 17th September on behalf

3rd October 1934

of the Medical School of St. Bartholomew's Hospital. Owing to some misunderstanding, which had not yet been fully cleared up, this appeal never reached the Banks of England, but the Governor had been approached by a Member of the Appeal Committee.

The Committee agreed that they would be prepared to recommend to the Court a donation not exceeding £1000 if and when, after further enquiries, the Governor should be satisfied that a contribution would be desirable.

(2) Committee to consider the Securities of certain Funds. With reference to the Minutes of the 4th July last, it had been necessary, with the concurrence of Mr. Wigham, to arrange for a further postponement, until the end of October, of the Committee meeting, which should have taken place in July last. This was because Mr. Goschen and Mr. Gladstone were both away.

(3) The Governor had received a letter, dated the 25th September, from Mr. Nigel Campbell conveying his consent to remaining alternate Chairman of the Bankers' Industrial Development Company for a further five years.

1655
CT 189

Wednesday, the 10th October, 1934

Present:-

The Governor,
Mr Grenfell,
Mr Hambro,
Sir A. Suncan,
Sir E. Peacock,
Lord Huddley

The draft Minutes of the last Meeting, were agreed as amended.

The Weekly Statement of Discounts and Advances granted to Bill Bickers, &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 Allowances be granted, under the provisions of the Trust Deed of the Superannuation Fund, to:-

- (a) Mrs. [redacted], Widow of [redacted] a Pensioner, formerly a Mason in the Works Department: £13a year in accordance with the scale from the 8th September inclusive.
- (b) Mrs. Caroline Stanton, a Woman Cleaner: age 65 years on the 29th September: service 12 years: £13a year from the 30th September inclusive - such allowance to be reconsidered when she becomes eligible for the Old Age Pension.

The Governor acquainted the Committee of the following matters -

1555
CT-33.

- (1) [redacted] A satisfactory arrangement had been made with the [redacted]

10th Oct. 1934

under which their Treasury Bill transactions would in future be carried out through the Bank of England, and so far as Money Market operations were concerned the [redacted] would do its utmost to conform to the Bank of England's wishes.

The arrangement was on the same lines as that made with the [redacted] - in accordance with the Minutes of the 13th June last.

~~H574~~~~H555~~

CT 189

(2) Mr. Nigel Campbell. The Governor had written to Mr. Campbell informing him that as Chairman of the Bankers' Industrial Development Company, there was no objection to his joining the Board of Stewarts & Lloyds.

~~H578~~

CT 100-01

(3) Bank for International Settlements. Both the President and the German Manager seem to be considering the question of leaving the Bank.

Wednesday, the 17th October, 1934

Present:-

The Governor
 Mr. Grenfell
 Mr. Hambro
 Sir Andrew
 Duncan
 Sir Edward
 Peacock.

The draft minutes of the last meeting 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 -

- (a) Weekly Reports on Central Banks.
- (b) Fortnightly Letter to Dominion Central Banks.
- (c) Draft Minutes of the October Meeting of the Board of the Bank for International Settlements.
- (d) Report of the Committee on Advances and Discounts on the Discount Business of the Bank for the month of September.

The following was submitted and referred to the Court -

Minute of the Committee on Advances and Discounts recommending that the Discount Account of [redacted], which had become dormant owing to an alteration in the constitution of the firm, be reopened with the former rating of 10.

It was agreed to recommend to the Court -

(i) That a donation of 100 guineas be made to the London Orphan School in response to a special appeal by Mr. [redacted] on the understanding that the Bank's name should not appear on Mr. [redacted] list of donors.

(ii) That

17th Oct. 1934

CT 70.04

(ii) That Sir Basil Blackett be granted permission to become a Director of the Geographical Magazine Ltd.

The Governor acquainted the Committee of the following matters -

HC
CT 77
CT 32.01
CT 79.

1. The position of Messrs Mullens & Co. as Brokers to the Bank of England.

The understanding that Messrs Mullens & Co. are the Bank's sole Brokers was recorded in a letter written by them to the Governor on the 1st March 1922 which was laid before the Committee of Treasury a week later. The arrangement was subject to revision by the Bank after consultation with Messrs Mullens, and the formation of the Reserve Bank of India would make it necessary for such revision to take place. The Reserve Bank would be taking over funds which had previously been invested inter alia in Stock Exchange Securities by the India Office through Messrs R. Nivison & Co. and they would wish to make no change in this respect. Other Empire Central Banks also might desire to employ the Brokers previously acting for their Governments, and such a claim would be entirely reasonable.

The Governor had already spoken to Messrs Mullens & Co. and to Lord Ellendyne of Messrs R. Nivison & Co. He hoped in the case of ~~Lord Ellendyne~~ Messrs Nivison & others to enter into no indefinite commitments for fear of the admission of new partners whose selection did not meet with the Bank's approval. But meanwhile these firms would acquire, as regards the Stock Exchange business of the respective Central Banks, the same rights

Towards

17th Oct. 1934

towards the Bank of England as Mess^{rs} Mullens had and would retain their freedom as regards all other business.

~~HE 36~~
CT 90 07.

2. Proposed Banking Information and Research Committee
with reference to the minutes of the 5th September last, the Governor read a letter to Sir Robert Kindersley, dated the 15th October, summarising the difficulties in the way of the establishment of the Committee.

~~HE 37~~
Office File
P 189 06

3. Assassination of the King of Yugoslavia

The question had been raised whether an address of condolence should be prepared for signature by the Bankers and Merchants of the City of London, in accordance with various precedents. The Chairman of the Clearing Banks had been consulted but was averse from taking such action. Having regard to his views and to the fact that the connection of the City of London with Yugoslavia was much less close than in the case of countries previously concerned, it was decided to take no action.

~~HE 38~~
CT 45 02

(4) Joint Committee of British Short-Term Creditors

The Governor referred to a letter received from the Secretary of the Joint Committee, dated the 12th October, the contents of which were familiar to the Treasury Committee, and said that he was awaiting a reply from the Chancellor, to whom he had forwarded a copy.

~~HE 39~~
CT 37 02.

(5) Canadian Railways

with reference to the minutes of the 20th June last, the Governor read a letter to Mr. Beatty, dated the 15th October, intimating that in the changed circumstances the suggested methods of approach to the question of the

17th Oct. 1934

of the Railways would have to be postponed indefinitely.

~~HEFB~~
CT. 116

The Governor then referred to a private meeting of the Committee on the 5th June last which had been called regarding proposals for dealing with the affairs of the Royal Mail group of Companies upon the termination of the moratorium in December next.

When proposals were eventually submitted in July last to the Chancellor he had declined either to request the Bank to support the Scheme or to guarantee the advances which would be necessary. The Bank's participation being therefore impossible and attempts to obtain a suitable sponsor in other quarters having been unsuccessful, it had now been suggested that the Bank should give moral support to the proposals in order that, on the one hand, advances might be obtained in one direction or another, and, on the other hand, in the hope that the requisite consents to the proposals might be secured from the Debenture holders concerned. In the Governor's opinion it was not possible in the circumstances for the Bank to accept - immediately towards the public and ultimately towards the lenders - the moral and financial responsibility which this step would entail. He proposed to reply accordingly. In this the Committee concurred.

The Governor submitted a memorandum by the Deputy Secretary giving the general history of the negotiations as recounted by the Governor to the Committee.

Note:

~~HEFB~~
CT. 116

Royal Mail. with reference to the foregoing
the

the Deputy Secretary attended and read to the Committee a memorandum prepared by him giving the general history of the negotiations as recounted by the Governor to the Committee. The Governor also submitted a letter which he had written to Sir Arthur Maxwell in this connection together with the latter's reply.

Wednesday, the 24th October 1934.

Present -

The Governor
Mr. Sheffell
Sir Josiah Stamp
Mr. Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Hyndley

The draft minutes of the last meeting were read and agreed.

The Weekly Statement of Discounts & 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 -

(1) That Harry Green, a Machinist, at St Luke's Printing Works: age 65 years: service 37 years: wages £335.8 - a year; be granted, during pleasure and in accordance with the scale, a Pension of £180.11 - a year from the 14th November inclusive.

(2) That Mrs [redacted], widow of [redacted], a Temporary Porter, be granted, under the provisions of the Trust Deed of the Superannuation Fund, an allowance of £18 a year from the 7th October inclusive, in accordance with the Regulations.

(3) That

93
24th October 1934

(3) That the allowance of £26 a year each granted to the Messrs [redacted] in accordance with the minutes of the Committee of Treasury of the [redacted] and [redacted] be continued, under the provisions of the Trust Deed of the Superannuation Fund, subject to no change taking place in their circumstances.

A minute of the Staff Committee recommending Appointments, &c. and the Quarterly Report on payments made &c., were submitted and referred to the Court.

The Governor acquainted the Committee of the following matters:-

~~HE 58~~
CT 60 08 1253 (1) [redacted] and [redacted], two members of the Staff of the Bank have been invited to represent Great Britain in Rowing and Athletics, respectively, at the Centenary celebrations at Melbourne; these two men have each been granted 4 months' Special Leave to enable them to accept the invitation.

~~HE 58~~
CT 71 02 (2) Gresford Colliery Disaster. A Committee consisting, inter alia, of the Lord Mayor and Provincial Mayors, with the former as Chairman is about to be formed to administer the Lord Mayor's Fund, which amounts to £100,000; he understands that an invitation will shortly be extended to the Bank inviting them to nominate someone to serve on this Committee, and he proposes, in that event, that the Deputy Governor be asked to accept the invitation.

~~HE 58~~
CT 45
CT 45 02 (3) Joint Committee of British Short-Term Creditors with reference to the minutes of the previous meeting, he submitted a letter, dated the 19th October, which he had received from the Chancellor's Secretary

24th October 1934

Secretary, dealing with the points contained in the letter, dated the 12th October, addressed to him by the Secretary of the Joint Committee.

(4) Reserve Bank of India.

LE 34

CT 32-01

(i) A satisfactory understanding has been reached and initialled by Sir Osborne Smith as to the arrangements which, when the time comes, are expected to govern the relationship between the Reserve Bank and the Bank of England on matters of banking and monetary policy.

LE 34

CT 32-01

(ii) With reference to the minutes of the 12th September last, arrangements have been made whereby [redacted] of the Chief Cashier's office, will be seconded to the Reserve Bank for a period of six months, commencing in the Spring of 1935, leaving any permanent arrangements to mutual agreement at the end of that time.

LE 34

CT 37-01

(5) Reserve Bank of Canada He read to the Committee a memorandum setting out the terms upon which the Deputy Governorship (pro tem.) of the Reserve Bank of Canada has been offered to Mr. J. A. C. Osborne, who, subject to the consent of the Bank of England, has agreed to accept the post.

The Governor proposed to mention this matter to the Court informally to-morrow and to submit a formal recommendation for their adoption as soon as possible.

LE 36

CT 192-01

CT 183

(6) English Steel Corporation - Participation in a new Stainless Steel Company to be known as "Dunth-Vickers Stainless Steels Limited" Messrs. Freshfields have advised that the Bank need raise no objection to the formation of this Company provided an assurance were given by the English Steel Corporation that they would ensure so far as possible that a reasonable proportion of the profits of the

95th October 1934

of the new Company would be distributed by way of dividend in each year. In order to effect this provision drafts of letters to be exchanged between the Sun Insurance Company and the English Steel Corporation had been prepared by Messrs Freshfields and would be despatched to the Sun Insurance Company accompanied by a covering letter signed by the Chief Cashier.

~~17557~~
CF 90 03

(7) Lloyds Bank: Indian Branches. The need for the disposal of the Branches of Lloyds Bank (formerly Cox & Co in India and in Egypt) had previously been mentioned to the Committee in June 1925, September 1926, and again in September 1927. Advantage had been taken before Sir Osborne Smith's visit to this country to urge upon him the need of arriving at some arrangement whereby the Imperial Bank, rather than acquire any other exchange banks, would take over the Indian Branches of Lloyds Bank, as the National Bank of Egypt had taken over the Egyptian Branches. He has since learned from Sir Osborne Smith that his offer to negotiate for their purchase had been declined. Subsequently, on Monday last, the Governor saw Sir Austin Harris (the Chairman of Lloyds Bank being in Australia), to whom he expressed concern that no agreement had been reached, and enquired whether the future prospects and conditions in India had been weighed and whether the effect of reforms and later of Indianisation had been considered; he stated also that the opportunity for arriving at a satisfactory disposal might now have passed. Sir Austin Harris had said that the question had not been regarded seriously as it was not one of principle but of profits, especially to the Branch in Pall Mall; it might however receive further consideration.

(8) Sir Bertram Houlden.

24th October 1934~~LC 74~~

CT 122.

CT 123

(8). Sir Bertram Horsey: Anglo-South American Bank and Anglo-International Bank. The Governor discussed the position of Sir Bertram Horsey as Chairman and prospective Chairman of these banks: the question of his remuneration and successor.

~~HC 53~~~~HC 53~~

CT 189.

CT 171

(9) The terms of the proposed re-engagement of Mr Bruce Gardner had been agreed in principle, in accordance with the Minutes of the 15th September last, and would shortly be referred to the Committee and to the Court for formal adoption.

(10) Mr Siepmann yesterday flew to Berlin in order to pay Dr. Schacht a purely personal visit on his behalf.

~~HE 16~~

CT 45

CT 113.03

(11) The Governor also mentioned that, if a German clearing were sooner or later established, the present method of carrying on the Market Bills accepted under the Standstill might be endangered, but in any event he hoped it would be possible to continue, whether in the form of acceptances or of advances, and even after the end of the present Standstill, without invoking the credit of His Majesty's Government. In such case there would be several acceptors for whom the direct support of the Bank might be essential.

In pursuance of an Order of Court of the 13th 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 Hon. Montagu Collet Norman, D.S.O., and Sir Ernest Hughgrave Harvey, Bart, K.B.E., be invited to allow their names to be submitted to the Proprietors in March next for election to the offices of Governor and Deputy Governor, respectively.

Wednesday, the 31st October 1934

Present -

The Governor
The Deputy Governor
Mr. Greenfell
Sir Josiah Stamp
Mr. Hambro
Sir Andrew Duncan
Sir Edward Pearce.

The draft minutes of the last meeting 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 Letters to Dominion Central Banks.

The following were submitted and referred to the Court -

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

Quarterly Report of the Audit Committee.

1653
CT 139
CT 171

It was agreed to recommend to the Court of Directors that Mr. C. Bruce Gardner be offered an engagement with the Bank as from the termination of his present contract on the 17th March 1935 upon the terms and conditions set out in the accompanying draft letter, the form of which has been approved by Messrs. Freshfields, Jeese & Mans.

The following Appeals for Donations were considered -

(a) National Central Library

The Governor stated that he had received a letter from Lord Ugin setting out the objects of this Appeal. It was hoped that the matter would come before the clearing Bankers at their meeting at the Bank to-morrow, Thursday,

31st Oct. 1934

Thursday, where it would be sponsored by Lord Bradbury; he proposed, subject to any decision which might be taken, to recommend that the Bank should subscribe a sum up to £100.

(b) The Salvation Army.

This was declined.

(c) Royal Agricultural Show.

It was agreed to recommend to the Court that the Newcastle Branch be authorised to make a donation of £50 to the Fund which is being raised to defray the expenses of the Royal Agricultural Show to be held at Newcastle next year.

~~HE 16~~
CX 45

The Governor informed the Committee that towards the end of last week a proposal had been made that, instead of the proposed German Clearing, an Agreement should be adopted between the two Governments. But to this end it was necessary that an immediate payment by Germany of, say, £400,000 in cash should be offered.

For the purpose in any event of avoiding a Clearing, he had agreed to consider favourably an application from the Reichsbank for an advance of that amount, on terms and conditions to be discussed. This offer was still open and Mr. Siepmann had just gone to Berlin to discuss with the Reichsbank and how such an advance could be made.

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Wednesday, the 7th November, 1934

Present:-

The Governor
The Deputy Governor
Mr Grenfell
Sir Josiah Stamp
Mr Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Hyndley

The draft minutes of the last meeting 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.

A Report of the Committee on St. Luke's with final proofs of designs for the alternative £1 and 10/- Bank notes was submitted and referred to the Court.

It was agreed to recommend to the Court of Directors -

(a) That C. X. Lawrence, an Auxiliary Male Clerk, age 65 years on the 10th November next, be granted, as from the 11th November inclusive, a pension of £144 a year in accordance with the Scale and under the provisions of the Trust Deed of the Superannuation Fund.

H.E.S.M.
ET 37.01

(b) That the acceptance by Mr J. A. C. Osborne, the Secretary, of an appointment as Deputy Governor, pro tem., of the Bank of Canada be subject to the terms and conditions as between himself and the Bank of England set out in the accompanying memorandum.

(c) That Lord Hyndley be appointed a Member of the Committee on Permanent Control of

7th November.
1934.

of Expenditure in the room of Mr. Shaw.

The Governor acquainted the Committee of the following matters -

(1) Bank of Canada

A satisfactory understanding has been reached and initialled by Mr. Towers as to the arrangements which, when the time comes, are expected to govern the relationships in London between the Bank of Canada and the Bank of England on matters of banking and monetary policy.

This understanding follows on the lines of those lately reached with the Commonwealth Bank of Australia, the Reserve Bank of India and the National Bank of Egypt.

(2) Reichsbank: Advance

With reference to the minutes of the last meeting, the Governor read to the Committee a letter he had received from the Chancellor dated the 1st November, and one dated the 6th November which he had written to Dr. Schacht, both on the subject of the proposal to consider favourably an application from the Reichsbank for an Advance.

(3) Lombard Association

He had agreed that Professor Clay be allowed to address the Association at one of their forthcoming meetings.

~~1462~~
CT 37.01

~~1466~~
CT 45

Thursday, the 8th November, 1934.

Present :-

The Governor
The Deputy Governor
Mr Grenfell
Sir Josiah Stamp
Mr Hambro
Sir Andrew Duncan
Lord Hurdley

H-56
OT 116

Royal Mail Group of Companies.

With reference to the Minutes of the 17th October last, the Governor outlined briefly to the Committee a fresh Scheme which was now being considered, the object of which would be an attempt to secure - with the agreement of all concerned - through the medium of two Realisation Companies an orderly voluntary liquidation in the interests of the Security holders and other Creditors.

Sir William Leese had examined a draft of the Scheme and had reported that in his opinion it was legally feasible.

Wednesday, the 14th November 1934

Present :-

The Governor
The Deputy Governor
Mr Grenfell
Sir Josiah Stamp
Mr Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Hurdley

The draft minutes of the meetings of the 7th and 8th November were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Broker, &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

The following were submitted and referred to the Court -

(a) Report of the Committee to consider
the

1st November
1934

the securities of certain funds.

(b) Report of the Trustees of the Superannuation Fund as to the employment of sums received by them for the benefit of the Fund.

(c) Minute of the Staff Committee recommending appointments, &c.

The Governor informed the Committee that nothing of particular interest had taken place at the November meeting of the Board of the Bank for International Settlements.

With reference to the minutes of the 10th October last as to the possible resignation of the President and the present German Manager of the Bank, the Governor has now learned that they both intend to relinquish their posts; the latter to be succeeded by another Representative of the Reichsbank as early as possible - maybe in the Spring of next year. He mentioned the question of nationalities and the difficulties in the way of finding suitable successors, especially a President.

~~100-03~~

CT 100-01
CT 100-03

Wednesday, the 21st November 1924

Present:-

The Governor
The Deputy Governor
Mr. Henfell
Sir Josiah Stamp.
Mr. Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Hyndley

The draft minutes of the last meeting 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 -

- (a) Weekly Reports on Central Banks.
- (b) Draft minutes of the November meeting of the Board of the Bank for International Settlements.
- (c) Report of the Committee on Advances and Discounts on the Discount business for the month of October and on special Advances.

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

It was agreed to recommend to the Court that pensions be granted to the following persons -

- (a) Henry Tompkins, Inspector at St. Luke's Printing Works: age 65 years; service 38 years - £161. 14. 8 a year during pleasure and in accordance with the scale, as from the 27th January next, inclusive.
- (b) Lillie Cook, an Auxiliary Woman Clerk, age 50 years on the 27th November

21st November,
1934

November: service 15 years: £60
a year in accordance with the
scale and under the provisions
of the Trust Deed of the
Superannuation Fund, from the
28th November, inclusive.

HE 60.
N/E

Applications for donations received from the Hospital for Sick Children and the City of London Hospital for Diseases of the Heart and Lungs were brought before the Committee. The Governor raised the question of how best to deal with Hospital appeals generally, the number of which seems to be on the increase. He suggested that - apart from those appeals as were sponsored by the Lord Mayor, each of which would need to be considered as at present - it would be more satisfactory if instead of the Bank having to deal direct with every individual appeal of the character above mentioned, an arrangement could be made under which the Bank could entrust to King Edward's Hospital Fund a special annual contribution to be allocated and distributed by the Fund at its discretion. Such contribution would be supplementary to the Bank's normal annual subscription to the Fund. Sir Edward Peacock undertook to look into the matter: in the meantime consideration of the two appeals in question was postponed.

The Governor acquainted the Committee of the following matters -

(1) Canadian Railways

with reference to the minutes of the 17th October last, the Governor read a letter dated the 5th November which he had received from Mr. Beatty in reply to one written by him dated the 15th October. Thus the suggested method of approach to the question of the Railways as originally proposed by the late Mr. Goodenough in June last has

HE 37

ct. 37.02

21st Nov. 1934

has come to an end.

~~125~~
CT 50 01(2) Government Stocks, Banking Department.

With reference to the minutes of the 21st June 1933, he mentioned that the equal division between Redeemable and Irredeemable Stocks is gradually being altered by increasing the former and reducing the Irredeemable stocks.

(3) Anglo-International Bank~~127~~
Office File P. 52.(a) Mr. Bank's remuneration.

He mentioned that the arrangement made in accordance with a minute of the Committee dated the 15th November 1933 whereby Mr. Bank is in receipt of fees payable by the Bank on an agreed scale would cease at the end of the year.

In his opinion Mr. Bank will continue to have moral claims upon the Bank in respect of his services and the Governor proposes to discuss with the Chairman of the Anglo-International Bank the question of securing to that Bank his services over, say, the next five years on the basis that the Bank of England would, by way of fees, contribute towards such remuneration as it was decided Mr. Bank should receive for this period.

~~127~~
CT 123(b) Bharimanship

General Lawrence is anxious to be relieved of his duties as early as possible. The Governor therefore proposes to ask Sir Bertram Housby whether he would be prepared to succeed to the Bharimanship, in which event he would endeavour to arrive at some agreement to secure that Sir Bertram Housby is adequately remunerated for his various services.

CT 41 ~~127~~

(4) Mr. Siepmann had at the end of last week proceeded to Hungary.

The position

21st Nov. 1934

H.C. 53

H.E. 50

CT 189

The position which had arisen as a result of the proposal - mentioned in the minutes of the 12th September last - to prolong the existence of the Bankers' Industrial Development Company for a further five years was discussed. Mr. Nigel Campbell who has already conveyed his consent to remaining alternate Chairman of the Company for the extended period had, it would seem, undertaken this duty in the belief that - apart from any question of liquidation - no call would be made upon the holders of the "A" shares unless and until the "B" shares had been fully paid up. This is thought to be at variance with Section 3 (2) of the Articles of Association of the Company which governs the procedure in the event of a call of the share capital becoming necessary.

The Deputy Governor is in consultation with Sir William Leese upon the points which have thus arisen. When the legal position has been elucidated the question of the Bank's willingness to allow the liability upon their shares to be called in full before any call is made upon the "A" shares will need to be considered; questions of voting rights and the right to nominate Directors might in that event need to be reconsidered.

Wednesday, the 28th November, 1934

Present :-

The Governour
The Deputy Governour
Mr. Greenfell
Sir Josiah Stamp
Sir Andrew Duncan
Sir Edward Pearce
and
Lord Hyndley

The draft minutes of the last meeting were agreed as amended.

The Weekly Statement of Discount and Advances granted to Bill Prokers, etc., was read.

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

The following were submitted -

- (a) Weekly Reports on Central Banks
- (b) Fortnightly Letters to Dominion Central Banks

The following were submitted and referred to the Court -

- (a) Report of the Committee to consider the Securities of certain Funds as to the investment of monies received by the Trustees of the Superannuation Fund.
- (b) A letter from Lord Hyndley requesting permission to become a Member of the Board of Cory & Glanville (Upper Thames) Limited.

H/E 80
N/E

It was agreed that the widow of [redacted], a pensioner, formerly a mechanic at St. Luke's Printing Works, be granted, as from the 14th November, an Allowance of £13 a year and a "Gift" of £10 a year, in accordance with the Regulations.

It was agreed to recommend to the Court that pensions be granted, in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund,
to the

28th November
1934

to the following persons -

- (a) H. J. A. Willis, Principal of the Bill Office, age 63 years: service 43 years £805.6.8 a year from the 1st March next inclusive.
- (b) George Dean, a Superintendent in the Bill Office, age 65 years on the 6th December next: service 42 years: £497.17.4 a year from the 7th December next inclusive.
- (c) James Gemmell, an Auxiliary male clerk, age 64 years: service 18 years; who has tendered his resignation on account of ill-health, £135 a year from the 27th December next inclusive.

The Governor acquainted the Committee of the following matters -

- CT 141. ~~1561~~ (1) With reference to the minutes of the last meeting as to Mr Siepmann's visit to Hungary, he read a cable which by arrangement with Mr Siepmann he had yesterday despatched to him in Budapest.
- CT 149. ~~1567~~ (2) He proposes that the Bank should advance to the Trustees of the British Museum, in one way or another, a sum of £10,000 towards the initial payment of £45,000 necessary to enable them to acquire jointly with the Victoria & Albert Museum a collection of Chinese Art. Certain technical questions concerning the manner in which such an advance can be made have been discussed with the Treasury and the matter has already been taken up with Sir George Hill, the Director and Principal Librarian of the British Museum.
- CT 189. ~~1550~~
~~1553~~ With reference to the minutes of the last meeting as to the Bankers' Industrial Development Company.

28th November, 1934

Company, the Deputy Governor reported that Sir William Jessel had consulted Counsel informally as to the interpretation of Article 3 (2) of the Articles of Association of the Company. Sir William Jessel had informed him that Counsel is of opinion that only one possible interpretation can be put upon the Article, viz., that in case of calls being made upon the shareholders during the life of the Company, calls up to 25% must be paid rateably both by the "A" and the "B" shareholders; no further calls can be made except on liquidation in which event the "B" shareholders must pay the remaining 75% of their liability before any further call is made upon the "A" shareholders. Counsel is in some doubt, however, as to what interpretation a Judge might put upon Article 3 (4) which deals with liquidation, and he has recommended that this Article should be amended in order that the liability of the "B" shareholders may be defined beyond all argument.

The Governor mentioned that he had recently seen Mr. Nigel Campbell who had stated that he is willing to continue as alternate Chairman of the Company provided that the liabilities attaching to the "A" and "B" shares, respectively, are definitely determined and are understood and accepted by the holders of both classes of Share.

The Committee were informed of certain questions which have arisen in connection with the proposal to form two Realisation Companies for dealing with the affairs of the Royal Mail Group of Companies, an outline of which had been given to the Committee on the 28th November.

J. W. A.

#56
CT 116

28th November 1934~~#64~~
CT 72.02

It was agreed that the meeting of the Committee in Christmas week be held on Thursday, the 27th December, at 11. a.m.

Wednesday, the 5th December, 1934

Present. -

The Governor

The Deputy Governor

Mr. Kempell

Sir Josiah Stamp

Mr. Hambro

Sir Andrew Duncan

Sir Edward Pearce

Lord Hymudlay

The draft minutes of the last meeting 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 of Directors -

(a) That, consequent upon the reorganisation of the Branch Banks Office, No. 82 of the Regulations affecting the General Conduct of Business at the Head Office and Branches be altered so as to allow the Principal and the Deputy Principals of the Branch Banks Office to grant Powers of Attorney for use in case of need, or absence, to the Assistant Principal and the Superintendent instead of, as hitherto, to the Assistant Principal and the Chief Clerk, the latter position having been abolished.

(b) That the Governor of the Bank for the time being be authorised to act as one of the Trustees of the Mesford Colliery Disaster Relief Fund.

CT 71.02

with reference

5th December 1904

60
~~1E 311~~
 N/E

with reference to the Minutes of the 31st November regarding the suggestion made by the Governor as to the question of how best to deal with Hospital Appeals received by the Bank. Sir Edward Peacock read a letter he had received from the Secretary of King Edward's Hospital Fund for London stating that if a proposal on the lines indicated by the Governor were made it would doubtless be accepted by the Fund and that there would be no difficulty in arriving at an agreement on the details.

When the necessary details shall have been settled in principle the Governor proposed that the Govt be asked to sanction such periodical contributions to the Fund - which would be supplementary to the Bank's normal annual subscription - as may be deemed appropriate, to be distributed at its discretion in grants made in the name of the Bank in response to such general appeals received by the Bank as they may forward to the Fund for consideration; this arrangement might not necessarily include, however, special appeals sponsored by the Lord Mayor, which might be dealt with as at present.

The Governor acquainted the Committee of the following matters -

1E 31
 CT. 165

(1) with reference to the Minutes of the 30th May last he read a letter he had received from the General Secretary of the Green Shirt Movement for Social Credit and the official communication which had been sent in reply.

CT. 74

In this connection the Governor stated that his attention had been drawn to the published account in the recent issue of "The Listener"

5th December
1934.

"The Listener" of a talk broadcasted by Major Douglas on the 30th November in a series entitled the "Causes of War" in which the latter had criticised the policy of the Bank of England. The Governor viewed this incident with some concern having regard to the fact that the Bank could not themselves reply to such criticisms; he suggested, however, that Sir Josiah Stamp, who was to deliver the next talk of the series, might take the opportunity to refer to the criticism made by Major Douglas. Sir Josiah Stamp agreed to act on this suggestion.

~~100/114~~
~~100/114~~

CT 123

→ office file P.52

(2) Anglo-International Bank Ltd.

with reference to the minutes of the 21st November and earlier, he read a memorandum of an interview he had had recently with Sir Bertram Hornsby setting out the conditions upon which the latter would be willing to succeed to the Chairmanship, and dealing with the question of Mr. Bank's remuneration. With regard to the last-named the Governor proposes to supplement the remuneration of £4,000 which Mr. Bank is to receive from the Anglo-International Bank for the year 1935, by a fee of £3,000 for the same period to be paid by the Bank of England.

~~100/114~~

CT 90.03

(3) Lloyds Bank - Indian Branches

with reference to the minutes of the 24th October and earlier, he read a letter, dated the 30th November, which he had received from Sir Austin Harris, stating that the Board of Lloyds Bank, after full consideration of the matter, are not prepared to sell their Branches in India.

~~100/114~~

CT 100.03

CT 100.04

(4) B. I. S. - Mr. Porters.

with reference to the minutes of the 14th November and earlier, he read a letter, dated the 24th November, which he had received from Mr. Innes and his reply dated the 3rd December,
both

5th December 1934

both dealing with a question raised by Mr Porters concerning impending changes in the management of the B. I. S.

1 E 16⁺
CT. 45

(4) Germany: Advance to the Reichsbank.

With reference to the minutes of the 31st October and the 7th November, he stated that in order to prevent an immediate breakdown in the Anglo-German Payments Agreement he had agreed to make an advance of £750,000 to the Reichsbank for a period of three months with the option to the Reichsbank of three renewals of three months each. Interest will be charged at the Bank of England discount rate plus 1%, and the advance will be secured by foreign (non-German) commercial bills lodged at the Reichsbank in a separate dossier in the name of the Bank of England. The full amount will be advanced immediately and it is an express condition that the whole sum is to be used to liquidate outstanding debts to British traders in addition to the £400,000 already provided by the Reichsbank and to the monthly allocations to be made by the Reichsbank under Article 6 (1) of the Anglo-German Payments Agreement. The Governor also read a letter he had received from the Chancellor, dated the 3rd December, containing his approval of the transaction.

CT. 36 ~~1 E 17~~

(6) With reference to the minutes of the 4th October 1933 as to the need for strengthening co-operation amongst Dominion Central Banks, the Governor has suggested that Mr. Clegg should visit South Africa early in the New Year and while there that he should call unofficially and informally upon the South African Reserve Bank in Pretoria.

(7) It would

5th December.
1934

HE67
CT60-02

(7) It would be recalled that the Court had adopted a recommendation of the Staff Committee that a Special Committee be set up early in 1935 to reconsider the 1926 Scheme of Salaries; the Governor expressed his intention to appoint the Committee, if possible, before Christmas and he outlined his views as to its constitution.

HE65
CT 81

(8) He read to the Committee a memorandum prepared by Professor Gray on the subject of Exchanges.

HE66
CT166
CT45

(9) He mentioned to the Committee the important part which Sir O. B. Niemeijer had played in the recent Saar negotiations.

HE53
CT 189.

(10) He informed the Committee that he would acquaint the Court informally tomorrow of the position which has arisen in connection with the Bankers' Industrial Development Company - as contained in the minutes of the 28th November and earlier.

Wednesday, the 12th December 1934

Present

The Deputy Governor
Mr Shepfield
Sir Josiah Stamp
Mr Hambro
Sir Andrew Duncan
Sir Edward Pearce
and
Lord Hymudley

The draft minutes of the last meeting were agreed as amended.

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.

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

It was agreed to recommend to the Court that a further donation of £110.15.- be made to the Fund which was set up at the Mansion House for the purchase of a wedding gift for H. R. H. The Duke of Kent, being the amount required to make up the deficit in the Fund.

The Deputy Governor acquainted the Committee of the following matters -

(1) Royal Mail Group of Companies. With reference to the minutes of the 25th November and earlier, he read a letter dated the 6th December which the Governor had written to Sir Arthur Maxwell containing his provisional agreement to appoint the Boards of the two proposed Realisation

CT 57.01

H56
CT 116

12th Dec: 1934

Realisation Companies, when invited, and stating that his willingness to do so being dependent upon the acceptance of the Schemes by all parties, the names would not be made known until the Schemes shall have been passed at the meetings and received the final consent of the Courts.

~~HEH.~~
CT 150

(2) He referred to a letter which the Governor had received from the Chairman of the Ratepayers' Federation in Glasgow calling attention to a provisional Order by which the Corporation of Glasgow is seeking to obtain Parliamentary powers to establish a Municipal Savings Bank; this letter was accompanied by a copy of a Report of the Federation setting out their objections to the Scheme.

Wednesday, the 19th December 1934

Present:-

The Governor
The Deputy Governor
Mr. Sherfell
Sir Josiah Stamp
Mr. Hambro
Sir Andrew Duncan
and
Sir Edward Peacock.

The draft minutes of the last meeting 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 -

- (a) Weekly Reports on Central Banks.
- (b) Draft minutes of the December meeting of the Board of the Bank for International Settlements.
- (c) Report of the Committee on Advances and Discounts on the Discount business of the Bank

19th December,
1934

Bank for the month of November.

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

It was agreed to recommend to the Court of Directors -

- (a) That the following donations be made -
- (i) £500 to the Medical School of St. Bartholomew's Hospital in response to an appeal by the Lord Mayor.
 - (ii) £100 to the National Central Library in response to an appeal by Lord Elgin.

(b) That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to the following persons -

- (i) A. C. SPEAR, a 3rd Class Clerk in the Bill Office: age 58 years: service 37 years: whose resignation was called for under an Order of Court of the 25th February last and which has now been tendered on account of ill-health, £323.8/- a year from the 1st March next inclusive.

- (ii) David Carpenter, a House Porter and Watchman at the Law Courts Branch: age 65 years on the 1st January: service 36 years: £152.13.8 a year from the 2nd January next inclusive.

The Governor

19th December,
1934

The Governor acquainted the Committee of the following matters -

1. With reference to the minutes of the 28th November and earlier as to Mr Siepmann's visit to Hungary, he read a letter dated the 6th December which he had written to Dr Popovics. In spite of a definite understanding it now seems doubtful, however, when the latter will resign from the post of President of the National Bank.

HEBT
CT 41

2. Royal Mail Shares of Companies. With reference to the minutes of the 28th November and earlier, a letter which the Governor had received from Sir William Leese dated the 18th December was read stating that in his opinion the Schemes for the proposed formation of two Realisation Companies and the Circulars which it is proposed to issue in each case are in proper form and that the Schemes can now go forward.

HEST
CT 116

3. With reference to the proposal mentioned to the Committee on the 5th December that Mr E. J. Busbury should be offered an engagement as an "Adviser to the Governor", he read an official letter which had been written to Mr Busbury conveying the terms of this offer, which have been accepted by him. A formal recommendation would be submitted to the Court next week.

Office File
P46

4. He has agreed that Mr Kershaw should serve as a member of an Inter-Departmental Committee which has been set up by the Treasury to make a joint investigation of questions arising in connection with the currency and finance of Ghana.

HEBT
CT 39

5. With reference to the minutes of the 5th December as to the proposal that Mr Clegg should be urged to visit South Africa and while there

CT 36

call

19th December
1934~~LD 171~~ CT 36

call unofficially and informally upon the South African Reserve Bank in Pretoria, Mr. Blegg has written to Mr. Postnurs suggesting a visit along these lines early in the New Year.

Bankers Industrial Development Company

~~LC 53~~
CT 189

With reference to the Minutes of the 5th December and earlier, it was agreed to recommend to the Board that the necessary steps be taken to extend the life of the Company for a period of 5 years from February next; that in the event of a call of the Share Capital of the Company becoming necessary no call should be made upon the holders of the "A" Shares unless and until the "B" Shares shall have been fully paid up; and in order to make clear such intention that the Articles of Association be altered if need be, together with such other alterations as in the opinion of the Bank's legal advisers are considered necessary to protect the Bank's position in the altered circumstances.

CT 171

An account of the activities of the Company since its inception was submitted and it was agreed that copies should be made available to members of the Board.

Thursday, the 27th December 1934

Present:

The Governor
The Deputy Governor
Mr Cheffell
Sir Josiah Stamp
and
Sir Andrew Duncan

The draft minutes of the last meeting were read and agreed.

The fortnightly Letter to Dominion Central Banks was submitted.

It was agreed to recommend to the Court -

1. That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to the following persons -

(a) W. J. E. Merrifield, an Auxiliary Male Clerk:
age 65 years on the 16th
January: service 17 years:
£55 a year from the 17th
January next inclusive.

(b) E. M. Rafter, an Auxiliary woman Clerk:
age 50 years on the 13th
January: service 19 years:
£76 a year from the 13th
January next inclusive.

2. That an allowance of £60 a year be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Mrs [redacted] widow of [redacted] formerly a supervisor of machinery in the Printing Department, from the 3rd December last inclusive.

3. That the compassionate allowance of £26 a year, which was granted in December 1932 to Mrs [redacted] widow of [redacted]

27th December
1934

[redacted], a Bank Note Stamper, and subsequently renounced for a further year, be continued, under the provisions of the Trust Deed of the Superannuation Fund; but to cease in the event of her re-marrying.

4. That a donation of 500 guineas be made to the National Council of Social Service, in response to a further appeal for funds.

5. That Mr. E. J. Bunbury be appointed temporarily to the Bank, the engagement to take effect from a date to be fixed in the Autumn of 1935.

The Committee again referred to the proposal mentioned in the Minutes of the 5th December last on the question of how best to deal with Hospital appeals received by the Bank. The Governor expressed the view that the Bank might enter into an agreement to contribute to King Edward's Hospital Fund for London a sum of, say £3,500 a year for 7 years less Income Tax, this sum to include the Bank's normal annual subscription of £250 to the Fund, the balance, apart from certain annual donations to London Hospitals to which the Bank are already committed, to be distributed by the Fund at its discretion in response to such London Hospital appeals received by the Bank as they may forward to the Fund for consideration.

Wednesday, the 2nd January 1935

Present:-

The Governor
The Deputy Governor
Mr. Shenfell
Mr. Josiah Stamp
Mr. Hambro
Lord Hymdley.

The draft minutes of the last meeting were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

The following Appeals for Donations were considered -

(a) Sixth International Congress for Scientific Management.

It was agreed that a sum of £35 be placed at the disposal of Sir George Beharrell on the understanding that the Bank's name does not appear as a Donor to the Fund which is being raised to meet the costs of the Congress to be held in London this year.

(b) Royal National Hospital for Consumption, Ventnor.
This was declined.

It was agreed to recommend to the Court-

(a) That pending the appointment of a Secretary of the Bank, a temporary departure from the terms of Nos. 9, 47 and 81 of the Internal Regulations which govern the names of the Bank's Nominees, as detailed in a memorandum submitted to the Committee, be sanctioned.

(b) That a special Committee to consist of -

The Deputy Governor

2nd Jan. 1935

The Deputy Governor (Chairman)
 Mr. Gladstone
 Mr. Hambro
 Lord Hyndley
 Mr. Holland-Martin

with Mr. [redacted] as secretary be appointed
 with the following terms of reference -

1. To report to the Court as soon as possible with recommendations as to the means by and the terms on which the Bank should endeavour to -
 - (i) eliminate any present or prospective redundancy in the male Staff, and
 - (ii) reduce the present excessive proportion of the Staff whose ages range from about 25 to about 33.

2. Thereafter to review generally the entire salary scheme of 1926 (as amended or interpreted by subsequent decisions of the Court or of the Staff Committee) and to make a further report to the Court with such recommendations in regard thereto as may to them seem desirable.

The Governor acquainted the Committee of the following matters -

- (1). National Bank of Hungary
 -with reference to the minutes of the 19th December and earlier, he has received a letter from Dr Popovics in which the latter gives his reasons for not wishing to resign from the post of Governor of the National Bank at the present time; this decision conflicts with the

CT 41 + E 67

2nd Jan. 1935

with the tacit but definite understanding recently reached in Budapest. As a result of the situation which has now arisen the Governor has written a letter to the President of the Bank for International Settlements, which he read to the Committee.

(2.) Royal Writ

With reference to the minutes of the 12th December and earlier, he laid before the Committee, firstly, a letter from the Chancellor stating that he is in entire agreement with the proposed schemes for the formation of two Realisation Companies; and, secondly, one from the Treasury intimating that they are in agreement with the said proposals and for their part intend to support them by vote, where that may be necessary, and otherwise in every way. The Governor also named those of the proposed Directors of the Realisation Companies as were not already known to the Committee, viz:-

Sir Charles Barrie

Sir William McFintock

General Sir Arthur Maxwell

Mr. C. B. Tuson.

These names ^{are} in addition to those of the Deputy Governor and Sir Thomas Catto, as already recorded in the minutes of the 8th November last.

(3.) Mr Glegg: proposed visit to South Africa.

With reference to the minutes of the 19th December and earlier, Mr Glegg has now received a cable from Mr Postnuss, the Governor of the South African Reserve Bank, intimating that such a visit would be welcomed by him and Mr Glegg will therefore sail in about a month's time. The Governor proposes that the expenses of Mr Glegg's visit shall be borne by the Bank.

(4) Overseas Department

HESb
CT 116

CT 36

~~Dq~~

2nd Jan. 1935Office File
PSS.(4) Overseas Department

with reference to the minutes of the 12th September, enquiries have been made as to the possibility of securing the services of an expert to assist Mr. Kenshaw, as a result of which a likely candidate in Mr. Gilbert Jackson, a Professor of Economics at Toronto University and Adviser to the Bank of Nova Scotia, has now been found.

Mr. Jackson will shortly be arriving in this country to explore the ground and the Governor proposes as a basis for possible discussion an engagement for a period of from 1 to 10 years at a commencing salary of, say, £3,000 a year and the payment of some travelling allowances.

Present -

The Governor
The Deputy Governor
Mr. Shephell
Sir Josiah Stamp
Mr. Hambro
Sir Andrew Duncan
Sir Edward Pearce
Lord Hurdley

Wednesday, the 9th January 1935

The draft minutes of the last meeting were read and agreed.

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

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

The following were submitted -
Weekly Reports on Central Banks.
Fortnightly Letter to Dominion Central Banks.

A letter from Mr. Booth requesting permission to become a Member of the Board of Transatlantic and General Securities Co. Ltd.

was

9th Jan'y. 1935

submitted and referred to the Court.

It was agreed to recommend to the Court that B. R. Windle, a Superintendent in the Bank Note Office, age 60 years on the 26th January, be granted a pension of £447 10/- a year in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund, from the 1st March inclusive.

The Governor acquainted the Committee of the following matters -

(1) He read a letter, dated the 7th January, which, at the request of Mr. Ashley Cooper and on his behalf, he has written to Mr. J. M. Sieff, on the subject of the Court of the Hudson's Bay Company.

CT 137
+ D 21

(2) He proposes that Mr. Siepmann should gradually be relieved of the work which he now performs in connection with Central Banking in Eastern Europe and that he should eventually take over the duties connected with Gold and Exchange at present performed by Mr. Catterus; subject to an adequate or improved status or position for Mr. Siepmann this, in his view, is the best and only arrangement possible. It will therefore be necessary in due course to replace Mr. Siepmann.

HE 70.
CT 81

Wednesday, the 16th January, 1935

Present:-

The Governor
The Deputy Governor
Mr. Grenfell
Mr. Hambro
Sir Andrew Duncan
Sir Edward Peacock

HE70
CT81

The draft minutes of the last meeting were read and agreed. Arising therefrom the Governor suggested that the proposal made by him that Mr. Stephenson should eventually take over the duties connected with Gold and Exchange at present performed by Mr. Gatterno should be discussed by the Committee at their Meeting on the 6th February.

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 -

- (a) Weekly Reports on Central Banks.
- (b) Report of the Committee on Advances and Discounts on the Discount business of the Bank for the month of December.

The following were submitted and referred to the Court -

- (a) Committee on Advances and Discounts: minute recommending the re-opening of a Discount Account.
- (b) Staff Committee:
 - (i) minute recommending appointments &
 - (ii) Quarterly Report on payments made, &c.
- (c) Proposals for dates of General Courts for a Dividend and for the Election of Governors and Directors.

It was

16th May 1935

It was agreed to recommend to the Court that the playing of Cricket and Tennis be allowed at the Sports Club every Sunday morning on the understanding that matches are not advertised nor results published.

The Governor acquainted the Committee of the following matters -

1. Constaterople Quays Co.

~~HE 41~~
CT 151

He outlined the arrangement under which the Bank in 1906 had, at the request of His Majesty's Government, purchased certain Shares of the Constaterople Quays Co. at a cost of about £375,000. Under the terms of the arrangement the Treasury have authorised and requested the Bank to exercise the votes held in respect of these Shares in favour of a resolution for the re-sale of the property to

the Governor read an official letter dated the 10th January which had been written to the Treasury intimating that effect had been given to their request, at the same time pointing out that the potential loss to the Bank on these Shares, the net cost of which now stands at about £318,000, is considerable and enquiring what suggestions the Treasury have to make as to the method by which the loss to be suffered following the purchase of the Shares is to be met.

2. Basle

He had met there Mr. Sverdy, successor to Dr. Popovic as President of the National Bank of Hungary, who appeared to be well informed as to the position in Hungary

with reference to the minutes of the 14th November and earlier as to the impending resignation of Mr. Sverdy the present position

~~HE 41~~ CT 41
~~151~~

CT 100-01
CT 100-03

16th Jan'y 1935~~16th Jan'y 1935~~

position is that Dr. Trip, who had by agreement been approached, was considering the suggestion made to him that he should accept an invitation to succeed to the Presidency of the Bank for International Settlements; it was hoped that his decision would be received next week.

Wednesday, the 23rd January 1935

Present:-

The Deputy Governor
Mr. Shenfell
Sir Josiah Stamp
Mr. Hambro
Sir Edward Peacock
Lord Hurdley.

The minutes of the last meeting 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 -

- (a) Weekly Reports on Central Banks.
- (b) Fortnightly Letter to Dominion Central Banks.
- (c) Draft minutes of the January Meeting of the Board of the Bank for International Settlements.

The following were submitted and referred to the Court -

- (a) Quarterly Report of the Staff Committee on the Accountant's, Cashier's and Secretary's Departments.
- (b) A memorandum by the Special Committee appointed by the Court on the 3rd January 1935 to examine questions affecting the Clerical Staff.

CT60.02

It

23rd Jan'y 1935

It was agreed to recommend to the Board of Directors that Henry Saxby, a Compositor at St. Luke's Printing Works: age 65 years: service 23 years: be granted, during pleasure and in accordance with the scale, a pension of £99.10.- a year from the 3rd March inclusive.

Mr. Blegg attended the Committee and submitted a memorandum with proposals for building a new Pavilion at Roehampton for the members of the Women's Sports Club, in which would be included the provision of suitable accommodation for a Badminton court. The total expenditure involved, which would also include new furniture and the conversion of the old Pavilion as residential quarters for the Stewardess, was given as approximately £8,700. It was agreed that definite estimates of the cost of these proposals should now be obtained.

He also mentioned that the Roehampton property is included in the London County Council Town Planning Scheme which provides for the scheduling of certain areas as private open spaces. The Scheme is at present in the preliminary stage only, but the London County Council have stated that their present views are that they would not be prepared to schedule the whole of the property for building but only the Priory Lane and Bank Lane frontages to a depth of 200', i.e., a total area of approximately 8 acres. As a matter of general policy the Committee felt that the Bank should not raise objection to the scheduling of the remainder of the property as an open space provided they are able to preserve the right to erect such extensions of existing buildings (e.g., Record Office, Club Houses, etc.) as may become necessary.

CT 69.10
 + Dst
 + Estate

23rd Jan'y 1935

necessary in the future for the Bank's own use, and to erect such additional buildings, if any, as may be desired for the purpose of improving and enlarging the amenities of the Club.

Wednesday, the 30th January 1935

Present:-

The Deputy Governor
Mr Greenfell
Sir Josiah Stamp
Sir Andrew Duncan
Sir Edward Peacock
Lord Hyndley

The minutes of the last meeting 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:-

- (a) Weekly Reports on Central Banks.
- (b) The first half-yearly Report by the Staff Directors on the progress of Mechanisation. (In accordance with the Order of Court of the 8th March 1934)

The following were submitted and referred to the Court:-

- (a) Quarterly Report of the Audit Committee.
- (b) Quarterly Report of the Committee to consider the Securities of certain Funds.

It was agreed to recommend to the Court of Directors:-

- (a) That Pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to the following persons:-

1. J. M. Whiting, Principal of the Drawing office

30th Jan'y.
1935

Office; age 65 years on the
22nd February; service 44 years;
£1,055-9-4 a year from the
23rd February inclusive.

ii) A. J. M. Mackenzie-Smith, a 1st Class Clerk
in the Chief Cashier's Office;
age 50 years; service 13 years on
the 5th February; who has
tendered his resignation on
account of ill-health,
£126-12-0 a year from the
6th February inclusive.

iii) L. E. Worge, an Auxiliary Male Clerk;
age 65 years on the 16th
February; service 15 years;
£155 a year from the 17th
February inclusive.

iv) J. M. Minimo, an Auxiliary Woman Clerk;
age 50 years on the 4th
February; service 16 years;
£173-12-0 a year from the
5th February inclusive.

(v) That permission be granted to the [redacted]
[redacted] to open an account in
the Drawing Office.

Wednesday, the 6th February 1935

Present:-

The Governor

The Deputy Governor were read and agreed.

Mr Shenfell

Sir Josiah Stamp

Mr Hambro

Sir Andrew Duncan was read.

2

Sir Edward Peacock.

The minutes of the last meeting

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

and Advances granted to Bill Brokers, &c.

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.

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 the rate of interest to be allowed by the Bank to the Bank Provident Society on deposit by members be continued for the ensuing year at the rate of 3½ per cent. free of Income Tax.
- (2) That an invitation be extended to Mr. James George Weir, C.M.G., C.B.E., of G. & J. Weir, Ltd., to allow his name to be submitted to the Proprietors in March next to fill the vacancy on the Court which will be caused by the retirement of Colonel Hambury.

The

6th Feb'y 1935~~HE 77~~
CT 152

The Deputy Governor reported that a request had been received from Lord Hollenden, as President of the Wholesale Textile Association, that the Bank would undertake to receive from the members of this Association and collate periodical returns of turnover and stock. He read an official letter which had been written in response to Lord Hollenden's request conveying the Bank's willingness to perform this work under certain conditions.

The Governor acquainted the Committee of the following matters:-

(1) He has received a letter from Mr Robert Holland - Martin appealing for funds on behalf of the Personal Service League in which was expressed the hope that the Bank would see their way to subscribe towards this object. The matter would come before the Clearing Bankers at their meeting tomorrow and he proposes, subject to any decision which might there be taken, that, on this occasion only and as an exception, the Bank should subscribe a sum up to £250.

(2) With reference to the minutes of the 2nd January and earlier as to the possibility of securing the services of an expert to assist Mr Kershaw, a letter was read setting out the terms upon which the Bank are prepared to offer Mr Gilbert E. Jackson a whole-time engagement as an "Advisor to the Governor". The Governor proposes to bring this matter before the Court next week for their formal approval.

~~HE 77~~
CT 44.01

(3) He has been advised of the possibility of a demand being made by the United States Senate Special Committee to Investigate the

6th Febry 1935

the Munitions Industry for the production of cables exchanged during and after the war between Messrs J. P. Morgan & Co. on the one hand and Government Departments and the Bank of England on the other, compliance with which could neither be avoided nor evaded.

1570
1781

The proposal as set out in the minutes of the 9th January that Mr Simpson should eventually take over the duties connected with Gold and Exchange at present performed by Mr Batters, was again discussed.

Wednesday, the 13th February 1935

Present

The Governor
The Deputy Governor
Mr Greenfell
Sir Josiah Stamp
Mr Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Helyar

The draft minutes of the last meeting 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 Board of Directors -

(a) That a donation of £550 be made to the Personal Service League.

(b) That the outstanding balance, amounting

13th Feb. 1935

amounting to £84, of the loan granted by the Bank in June 1934 to E. W. Parsons, a 3rd class clerk in the Cashier's Department, who died on the 30th January last, be placed to the debit of the Account "Profit and Loss".

#E77
CT 85

The Deputy Governor submitted a letter dated the 5th February which he had received from the Treasury concerning a Report of a Committee of the Economic Advisory Council on the subject of Science and Finance.

It was felt that the Bank should be prepared to comply with the request contained in this letter but at the same time it should be suggested to the Treasury for their consideration that the Committee's proposals might also be communicated to the Stock Exchange.

The Governor acquainted the Committee of the following matters -

#S78
CT 78

1. With reference to the minutes of the 24th May 1933 and earlier, he had been approached by Messrs. J. & A. Scringeworth for permission to underwrite a conversion issue for the Midi and Orleans Railway Companies in connection with the original issues of which they were joint Brokers. As an exception he had agreed to Messrs. Scringeworth's request although their participation in such an operation is outside the terms of the understanding reached between them and the Bank of England early in 1933.

2. Basle

#S78
CT 100 01
CT 100 03

(a) Presidency. With reference to the minutes of the 16th January and earlier as to the impending resignation of Mr. Fraser, Dr. Tribes has provisionally agreed to accept an invitation, if and when extended to him, to succeed

13th Feb. 1935

succeed to the Presidency of the B. I. S. on the understanding that he shall continue in his present post and provided he shall have found his own personal representative, with Klein's powers, who would reside in Basle.

#E18
CT 100.06

(b) French Guarantee Fund. With reference to the minutes of the 14th March 1934 the Award of the Arbitrator in the matter of the French Government Guarantee Fund dispute had been considered by the Board of the B. I. S.; it was in the nature of a compromise along the lines which had been anticipated.

He raised the question as to whether a copy of the Award should be sent privately to the Treasury and it was agreed that this might be done.

~~#E18~~
CT 100.02

(c) Liability of Shareholders. The question had been discussed at the meeting as to the position which might arise in the event of a call being made in respect of the partly paid shares of the B. I. S., having regard to the liability under which under Latin law attaches to each transferee.

#E90
ET 81

The proposal as set out in the minutes of the 9th January that Mr. Siepmann should eventually take over the duties connected with Gold and Exchange at present performed by Mr. Battersby was again discussed.

It was agreed that such an arrangement was the best possible one, it being fully recognised that the post would need to carry a status not below that
of

13th. Febry, 1935

of Comptroller.

CT 60 02

The Deputy Governor mentioned that the Interim Report of the Special Committee appointed on the 3rd January would be circulated to the Court this week.

Wednesday, the 20th February, 1935

Present:

- The Governor
- The Deputy Governor
- Mr. Sheffell
- Sir Josiah Stamp
- Mr. Hambro
- Sir Edward Peacock
- and
- Lord Hyndley

The draft minutes of the last meeting were agreed as amended.

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

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

The following were submitted -

1. Weekly Reports on Central Banks;
2. Fortnightly Letter to Dominion Central Banks;
3. Draft minutes of the February Meeting of the Board of the B. I. S.
4. Report of the Committee on Advances and Discounts on the Discount business for the month of January and on Special Advances.

The following were submitted and referred to the Court -

1. Committee on Advances and Discounts - Report on the business of the Bank during the past year in regard to Advances and Discounts, &c.
2. Committee on St. Luke's -
 - (a) Report

(a) Report on the Annual Reports on the Clerical Staff at St. Luke's Printing Works etc.

(b) minute recommending an increase of wages to Nurse [redacted]

3. Staff Committee -

(a) Two minutes recommending appointments, &c.

(b) minute recommending promotions and increases in Salary under the 1936 Scheme of Salaries.

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

(d) Report recommending disciplinary action in connection with the publication of an anonymous magazine within the Bank.

4. Letter from Lord Hurdley requesting permission to become a Director of Powell Duffryn Associated Collieries, Ltd.

It was agreed to recommend to the Court of Directors -

(1) That Sir Ernest Harvey be requested to become Chairman of R.M. Realisation Company Ltd and of E.D. Realisation Company Ltd.

(2) That certain persons be designated "Advisors to the Governors", &c.

(3) That certain appointments, &c., be made in the

20th July, 1935

in the Secretary's Department, &c.

- (4) That an annual grant of £5,500 for seven years, subject to the appropriate deductions on account of Income Tax, be paid to King Edward's Hospital Fund for London and that in order to implement these payments a Deed of Covenant, the form of which has been approved by Messrs Freshfields, Jefferies & Mansel, be sealed.

The allocation and distribution of the sums in question will be subject to such arrangements as may from time to time be made between the Bank and the Fund.

The list of charitable subscriptions for the current year, which embraces those not included in the proposed arrangement between the Bank and King Edward's Hospital Fund, was submitted and approved.

~~LE 77~~
CT 69.07

Mr Martin, who attended, reported that, following on a request from the B.B.C., it had been agreed that facilities should be granted to them to broadcast the Royal Procession on the 6th May from the Law Courts Branch.

The Governor acquainted the Committee of the following matters -

~~LE 75~~
CT 153

1. He described the crisis in the affairs of Francis Wilby & Company Limited and outlined the steps which, for various reasons, he had taken and the contribution of £100,000/150,000 he had offered in the hope of avoiding immediate liquidation. Such efforts, however,

20th July 1935

however, had been of no avail and it seemed probable that the firm would go into voluntary liquidation within the course of a few days.

H53

CT189.

2. Bankers Industrial Development Company

With reference to the minutes of the 12th December and earlier, he mentioned that difficulties of a technical nature have arisen as a result of which the decision that the necessary steps be taken to extend the life of the Company now seemed impossible of solution on the lines originally suggested.

H54

CT171

3. Following upon Sir Andrew Duncan's wish to resign from the Board of The S.M.T., he proposes that Mr. J. G. Weir should, in due course, be invited to take his place and that Mr. Skinner, while Assistant to the Governors, should at the same time be appointed a member of the Board.

Wednesday, 27th February 1925

Present:

The Governor
The Deputy Governor
Mr. Grenfell
Mr. Josiah Stamp
and
Mr. Edward Pearce, read.

The draft minutes of the last meeting were agreed as amended.

The weekly statement of Discounts and Advances granted to Bill Brokers, &c. was read.

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

The weekly Reports on Central Banks were submitted.

A Report of the Staff Committee in regard to [redacted], a 2nd Class clerk in the Accountant's Department, was submitted and referred to the Court.

It was agreed to recommend to the Court of Directors -

1. (a) That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to the following persons -

A. H. Lorraine, a 1st Grade Shorthand Typist: age 50 years on the 6th March next: service 30 years; £57 5/- a year from the 1st March next, inclusive.

Herbert Hodder, an Auxiliary Male Clerk: age 65 years on the 12th March next: service 18 years; £168 a year from the 13th March next, inclusive.

E. M. Barrett

27th Feby. 1935

E. M. Emmett, an Auxiliary Woman
 Clerk: age 50 years on the
 26th March next: service 16 years;
 £6 a year from the 27th
 March next, inclusive.

(b) That allowances be granted under the
 provisions of the Trust Deed of the
 Superannuation Fund to -

Mrs. Agnes Watson, a Woman Cleaner:
 age 65 years on the 2nd April
 next: service 12 years: £13
 a year from the 4th April
 next, inclusive.

Mrs. Edith Costello, a Bloakroom attendant,
 £13 a year from the 28th
 February, inclusive.

The last-named recommendation was
 by leave of the Governor withdrawn.

2. That the annual subscription granted
 by the Bank to the Forbanks Sports Club
 be increased from £100 to £150 as from the
 1st May next, subject to undertakings from
 each of the other Member Banks to make
 a similar increase in their contributions.

~~LE 15~~
 CT 50 04

The Governor informed the
 Committee that the estimated profits for
 the half-year ending the 28th February
 1935 after deducting all charges (including
 Income Tax and the amount of the
 contribution due the 28th February to the
 Superannuation Fund) and providing for
 a dividend of £6 per cent., amounted
 to £311,780.

27th Feby, 1935

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

(a) To writing off the amount expended on Mechanisation Equipment during the half-year	£ 17,000
(b) To writing down the cost of holdings of foreign Bank Securities, viz:- Anglo-International Bank Ltd. shares (to £100) £199,900 Ottoman Bank Shares (to £100) <u>19,900</u> 219,800	219,800
(c) To Suspense Account No. 1	74,980
	£311,780

The Governor acquainted the Committee of the following matters -

1. He read a letter dated the 26th February which he had received from the Lord Mayor on the subject of a presentation from the City to the King and Queen on the occasion of their Silver Jubilee; the maximum cost suggested by the Lord Mayor is £5,000.

He proposes that the Bank of England should subscribe £500 towards this object and intends to arrange with Lord Bradbury that the Clearing Banks should subscribe between them a sum up to, say, £1,250.

ET 45

1E16^{to}

2. Germany: advance to the Reichsbank.

With reference to the minutes of the 5th December and earlier, he submitted a letter which had been received from the Reichsbank intimating their intention to repay on the 28th February £200,000 of the advance of £750,000 made to them at that time. In accordance with the request contained in this letter the balance, viz., £550,000, will remain at the disposal of the Reichsbank

145 27th Febry 1935

Reichsbank under the conditions set forth in their letter of the 3rd December last

~~HE 76~~
CT 19202

3. He read a letter dated the 25th February which, in agreement with the Treasury, he had written to Mr. Frate, Taylor confirming the understanding reached with him as to the work which it is hoped Mr. Taylor may be able to perform in connection with the affairs of the International Power and Paper Company of Newfoundland.

CT 41 ~~HE 77~~

4. He referred to certain urgent proposals which had been made by Mr. Bruce, on behalf of Monsieur Inrédy, that the Bank of England should make an advance to the National Bank of Hungary up to £500,000 in order to allow the worsening economic position to be gradually adjusted. After consulting the President of the B. I. S. he had, for various reasons, decided to comply with this request, but he had in turn made a counter-proposal, the terms of which, however, had not proved acceptable to the National Bank. In addition to a memorandum he laid before the Committee a letter written to Dr. Inrédy by Mr. Siepmann but fears, nevertheless, that the relationship between the Bank of England and the National Bank of Hungary may in some measure be disturbed.

~~HE 78~~
CT 70

The Governor referred to the discussions which had taken place on the 7th November last on the question of the post of Staff Director, when it was provisionally agreed that Mr. Martin should be considered as Chairman of the Staff Committee - but not Staff Director - as well as an Executive Director for a period

of

27th Feb'y 1935

of not less than five years from March 1935. 146
Mr. Martin and Mr. Batters attended
the Committee and expressed their views on
the subject, consideration of which was
postponed until the next meeting.

Wednesday, the 6th March 1935.

Present: -

The Governor
The Deputy
Governor,
Mr. Grouseell,
Mr. Hambro,
Sir E. Plowden,
Sir A. Smeaton

The draft Minutes of the last Meeting 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.

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

It was agreed to recommend to the Court
of Directors -

(1) That pensions be granted under the provisions of
the Trust Deed of the Superannuation Fund to six
persons from whom applications for permission
to retire at an early date had been received
consequent upon the adoption by the Court of the
21st February 1935 of the Interim Report of the
Special Committee -

(2) That any Clerk pensioned under the terms of
the offer contained in Appendix D of the Interim
Report of the Special Committee, which was adopted
by

6th March, 1935

by the Court of the 21st February 1935, be allowed on retirement to commute his pension in whole or in part for a single cash payment, where in the opinion of the Governors the Clerk's circumstances appear to justify such commutation.

(3) That an allowance be granted under the provisions of the Trust Deed of the Superannuation Fund to Mrs. Edith Costello, a Cloakroom Attendant, aged 55 years on the 6th September last, service 17 years, who in the opinion of the Bank Medical Officer is unfit for further service; £15 a year from the 1st March inclusive.

(4) That in connection with the recent quinquennial valuation of the affairs of the Bank Provident Society, the Actuary's Report be approved and that authority be given to the Managers of the Society to declare a reversionary bonus of £2 per cent. per annum for the five years ended 30th November 1934 and to pay an interim bonus at the rate of £2 per cent. per annum on claims arising between the 1st December 1934 and 30th November 1939; further that the premiums for new contracts or additional insurances be increased, as advised by the Actuary.

The Governor acquainted the Committee of the following matters -

~~1E86~~
CT. 74.02 (1) He read a letter from the Honorary Secretary of the Society of Labour Candidates asking whether he would address the Society, and his answer giving the names of Sir Josiah Stamp and Professor Henry Clay, who might be prepared, if approached, to comply with the request.

~~1E12~~
CT. 164 (2) With reference to the Minutes of the 18th October 1933 and earlier as to the advance to the Oceanic Steam Navigation Company, he stated that recently a general settlement had seemed imminent

6th March
1935

imminent but the sudden prospect of liquidation of the White Star Line, Ltd., rendered such a course impossible. He read a letter which he had written to General Lawrence on the 23rd February 1935 bearing on this point.

1067
CT 32

(3) Imperial Bank of India. He read a letter dated the 22nd February 1935 which, after consultation with the India Office, he had written to Mr. Lamond regarding the discontinuance of the London Advisory Committee of the Imperial Bank of India.

1053
CT 189

(4) Bankers' Industrial Development Company. With reference to the Minutes of the 20th February 1935 and earlier, he stated that the question of the continuation of the Company is proceeding along new lines which, while avoiding legal difficulties, would effect the best available adjustment of the relative capital position of the 'A' and 'B' Shareholders and at the same time keep available to the Company moderate financial resources.

1073
CT 70

With reference to the Minutes of the 27th February, Mr. Holland-Martin and Mr. Catterno again attended the Committee and after discussion it was agreed in principle that the work of Staff Director should be undertaken by someone, as successor to Mr. Clegg, who would in the first instance be appointed temporarily as an Adviser to the Governors and that, after a satisfactory period of probation in that capacity, he might at a convenient opportunity be elected to the Court and appointed an Executive Director in charge of Staff matters for a definite period.

1079
CT 69.07

Jubilee Celebrations. It was agreed that staging be provided on the premises of the Laco Courts Branch on the occasion of the King's visit to St. Paul's.

Wednesday, the 13th March, 1935.

Present:

The Governor,
The Deputy Governor,
Mr. Gresham,
Sir J. Stamp,
Mr. Hambro,
Sir A. Scurr,
Sir E. Peacock,
Lord Halden.

The draft Minutes of the last Meeting were agreed as amended.

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.

It was agreed to recommend to the Court of Directors -

(1) That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to 23 persons from whom applications to retire have been received consequent upon the adoption by the Court of the 21st February 1935 of the Interim Report of the Special Committee appointed by the Court of the 3rd January, 1935.

(2) That N. R. Coomber, a Superintendent in the Bank Stock Office, be allowed, as an exception, to commute the amount of his pension in excess of £250 instead of the amount in excess of £300, which is the limit imposed by an Order of Court of the 2nd February, 1928.

(3) That the outstanding balance, amounting to £100, of the loan granted by the Bank in November 1926 to [redacted] formerly an Assistant, who was required to tender his resignation on account of ill-health, be placed to the debit of the account "Profit & Loss".

(4) That permission be granted to the [redacted] to open an account in the Drawing Office.

The

13th March,
1935.

The following were submitted and referred to the Court -

- (1) The accounts of the Works Department for the five months ended the 30th November 1934.
- (2) The half-yearly accounts of St. Duke's Printing Works.
- (3) The Annual Reports of the Samanison Fund, the Clerks' Guarantee Fund and the Special Pensions Reserve Fund.
- (4) House List of Governors and Directors for the year ensuing.
- (5) Procedure for elections of the Committee of Treasury.

The accounts of the Bank for the past half-year were produced, and 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 5th April next of 6% less Income Tax.

~~1885~~
CT 50 07

The half-yearly Report of the Committee on the Permanent Control of Expenditure was submitted and consideration of the recommendations regarding the provisional appointment of someone whose sole duty would be the examination of the Bank's expenditure in its relation to services performed or goods purchased was postponed.

The Governor acquainted the Committee of the following matters -

~~1887~~
CT 23

(1) Brazilian Commercial debts: He read a memorandum regarding the proposals agreed upon between the British Government and the Brazilian Financial Mission with a view to the signature of a definite Agreement; the memorandum indicated the commitment into which he proposes to enter in agreement with Messrs. Rothschilds should the necessity arise.

(2) Bank

13th March 1935(2) Basle~~100.75~~

47

CT100.01
CT100.03

(a) With reference to the Minutes of the 13th February 1935 and earlier, he stated that Dr Trip had been appointed to the Presidency of the Bank for International Settlements on the understanding that he would continue as President of the Netherlands Bank and nominate as his alternate Mr. Beijen who would reside in Basel and during the President's absence assume full authority though without a seat on the Board.

~~100.78~~

CT100.02 47

(b) With reference to the Minutes of the 13th February 1935 the question had again been discussed as to the difficulty of determining the legal liability of transferors of Shares of the Bank for International Settlements in respect of the uncalled liability.

~~100.81~~

(c) He referred to the apprehension which had been expressed in regard to the course of the sterling exchange.

Wednesday, the 20th March, 1935.

Present:
The Governor,
The Deputy
Governor,
Mr Greenfell,
Sir J. Stamp,
Sir A. Duncan,
Sir E. Peacock,
Lord Huddley

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

- (1) Weekly Reports on Central Banks
- (2) Fortnightly Letter to Dominion Central Banks
- (3) Draft Minutes of the March Meeting of the Board of the Bank for International Settlements
- (4) Report of the Committee on Advances & Discounts on the Discount business of the Bank for the month of February

It was agreed to recommend to the Court of Directors that special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to eleven persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

The Governor acquainted the Committee of the following matters -

(1) With reference to Minutes of the 31st January 1934 and earlier he proposes to make the following arrangement for the ensuing year with Sir James Cooper - Retaining Fee of £500 a year to be continued until the 29th February 1936.

(2) With reference to Minutes of the 31st January 1934 he had been informed that representatives of the Commonwealth Bank of Australia would shortly be visiting London and he had written to Sir Claude Reading assuring him of the Bank's willingness

CP.171

See Sir James
Cooper's file
Office file
P56

CP.4-01

20th March 1935

willingness to afford them all possible facilities.

~~HEB~~
Office File
100

(3) Professor Clay had been invited by the Director of the Economic Relation Section of the League of Nations to submit a note on Clearings and Compensation Agreements to the Committee studying this question. After consultation with Sir Otto Niemeyer and Sir Frederick Keith-Ross, as members of the Committee, the invitation had been refused.

~~HEB~~
CT 30

(4) He had arranged for Mr. Siepmann to visit Vienna, Budapest and Prague this month in order that Central Banking contacts might be maintained and he expects to arrange for someone to be in Rome early next month when negotiations regarding a new Trade Agreement were to be opened.

~~HEB~~
CT 45

(5) He would be in Basel on the 13th May for the General Meeting of the Bank for International Settlements after which he proposes to accept the invitation of Mr. Rensoh to visit him in the Rhineland.

CT 36 ~~HEB~~

(6) He submitted a letter written by Mr. Clegg on the 28th February from Pretoria.

(7) The King's Jubilee - National Thanks-offering Fund.

The Lord Mayor had asked him to allow his name to appear as a member of the Advisory Committee and to obtain from the Bankers some indication of the amounts they would be prepared to subscribe towards this object.

Wednesday, the 27th March, 1935.

Present:—

The Governor,
The Deputy
Governor,
Mr. Greenfell,
Sir J. Stamp,
Mr. Hainsford,
Sir A. Duncan,
Sir E. Peacock,
Lord Huddley

The draft Minutes of the last Meeting were read and agreed.

The Weekly Statement of Discounts and Advances granted to Bill Brokers, &c., was read.
The Weekly Reports on Central Banks were submitted.
It was agreed that no alteration be recommended in the Bank Rate.

It was agreed to recommend to the Court of Directors—

(a) That the Committee to consider the Securities of certain Funds be requested to examine, quarterly, Securities which may be held on account of the Samaritan Fund and the Clerks' Guarantee Fund.

(b) That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to six persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

(c) That a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to H. J. Penman, Deputy Principal of the Dividend Office: age 55 years: service 34 years; who has tendered his resignation on account of ill-health; £473 ¹⁶/₁₈ a year from the 29th March next inclusive.

The Governor acquainted the Committee of the following matters—

H561
(3)
CT-192.01

1. With reference to Minutes of the 13th September, 1933, he submitted a letter dated the 21st March 1935 from Mr. Rae Smith of Messrs. Deloitte intimating that there is no amount payable by

Tickers Armstrong & Co. Ltd.

27th March, 1935
 Pickers-Armstrongs Ltd., for the year ended the
 31st December 1934 in or towards extra premiums

LE 88

CT 30

(2) With reference to the Minutes of the 20th March 1935, he read a letter which he had written to the Governor of the Bank of Italy regarding the Trade negotiations between the British and Italian Governments.

LE 91

CT 138

(3) He read a letter from Sir William Leese regarding the appointment of Mr Leslie Peppatt as a member of the firm of Messrs Frostfields, Leese & Munns.

LE 90

CT 60 01

(4) He proposes at the first Court of the new year to suggest that the freedom of the Directors' Surrender Room be extended to all who from time to time hold positions as Advisers to the Governors as well as to the four principal Heads of Departments: further, that the restriction regarding Thursdays be removed.

LE 61

CT 192

(5) With reference to the Minutes of the 5th September 1934 and earlier, he referred to the present serious position of Armstrongs and the possibility of Receivership if no action were taken by the Bank. The Governor said that, as holders of Control through the Ordinary Shares, the Bank had and could not escape a twofold responsibility:

(i) to the Debenture holders;

(ii) as regards the labour position on the Tyne.

The question must be settled before the Annual General Meeting and upon the recommendation of The Securities Management Trust a plan was being devised by which it was hoped to provide for the redemption of the Debentures while leaving the Company with an amount of free cash.

27th March,
1935

cash which, under proper management and reasonable trading prospects, would give it a fair chance on a restricted front.

It was suggested that by means of a Trust the Bank would virtually take over the non-trading assets which at the moment formed the security for the Debentures; these securities would be gradually realised and any surplus there might eventually be would go to the Company as holders of equity. While the Bank would accept the risk that they might not be completely reimbursed by the sale of the securities placed in the Trust, on present estimates there was calculated to be a reasonable margin of cover on the amount, approximately £700,000, which it would be necessary for the Bank to provide.

The proposals will be submitted to Messrs Freshfields and Messrs Deloitte.

Members of the
Committee of Treasury
for the year 1935/6 :—
(Elected 28th March
1935)

The Governor,

The Deputy Governor,

Mr. Grenfell,

Sir Josiah Stamp,

Mr. Hambro,

Sir Andrew Duncan,

Sir Edward Peacock,

Lord Hurdley of Meads,

Mr. Cattermole.

Wednesday, the 3rd April 1935

Present—

The Governor
The Deputy Governor
Mr Greenfell.
Sir J. Stamp.
Mr Hambro
Sir A. Duncan
Lord Hyndley
Mr Catterns

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted—

- (1) Weekly Reports on Central Banks
- (2) Fortnightly Letter to Dominion Central Banks.
- (3) Half-yearly Report on the Non-Clerical Staff

It was agreed to recommend to the Court of Directors—

(1) Proposals for the appointment of Standing Committees etc for the ensuing year

(2) 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:

Sir E.M. Harvey, the Deputy Governor: to be paid at the rate of £5,000 a year from the 1st March inclusive.

Mr E. Holland-Martin, to be an Executive Director and to be paid at the rate of £4,500 a year from the 1st March inclusive.

Mr B.G. Catterns, to be an Executive Director and to be paid at the rate of £2,500 a year from the 1st March inclusive.

(3) That Mr A.C. Gladstone be re-appointed a representative Governor, on the part of the Bank, of the Central Foundation Schools of London for a further period of three years

3rd April 1935

(4) That a donation of not less than £5,000 be made to the Lord Mayor's Fund for King George's Jubilee Trust.

(5) (a) That pensions be granted in accordance with the scale and under the provisions of the Trust deed of the Superannuation Fund to the following persons:

L. J. Mosse, Agent at the Bristol Branch: age 65 years on the 28th April next: service 47 years: £1159 a year from the 29th April next inclusive.
 F. B. Allan, a Cashier: age 65 on the 26th April next: service 46 years: £595 10s a year from the 25th April next inclusive.

(b) That an allowance of £60 a year be granted in accordance with the scale and under the provisions of the Trust deed of the Superannuation Fund to Mrs. [redacted], Widow of [redacted], a Pensioner, formerly Deputy Principal of the Standard Day Office, from the 19th March last inclusive.

(c) That a special pension be granted under the provisions of the Trust Deed of the Superannuation Fund to one person under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

A report of the Staff Committee recommending the granting of special pensions to five persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935, although their applications are outside the scope of the scheme outlined therein, was submitted and referred to the Court.

The Governor acquainted the Committee of the following matters:

~~157~~
 CT. 151 (1) Constantinople Riays Company: With reference to Minutes of the 16th January 1935 and earlier, he submitted an unofficial letter from the Treasury dated the 17th March 1935 explaining that notwithstanding the arrangement of 1906 it was practically impossible for the Treasury to make good any loss which the Bank may eventually incur. The Governor said it was hoped the potential loss might be reduced from other sources, including the balance on the Reserve

3rd April 1935

Assets Fund which amounts to about £40,000.

~~HE 54~~
CT 4-01

(2) [redacted] He submitted a letter of the 8th March 1935 from [redacted], asking for the co-operation of the Bank, should the necessity arise, in maintaining their sterling funds. The Governor read his cable reply of the 29th March covering a loan, for a limited period, of £2/1/000,000.

~~HE 77~~
CT 25

(3) A request by the Government of Ecuador to the Foreign Office for the services of a financial adviser to their Central Bank had been submitted by the Treasury. The Governor read his reply of the 26th March agreeing to do his best to suggest a suitable candidate should certain conditions be fulfilled.

~~HE 114~~
Office file

(4) He mentioned the remuneration of £2,000 received by Sir Peter Bark, now a naturalised British subject, from the Austrian Government for services rendered in connection with the conversion of the League of Nations Austrian loan.

~~HE 55~~
CT 70-07
27.71.01

(5) He had become a Director of a Private Company entitled "Kemping Societas Ltd" and Mr Hambro had consented to act as a Director of "Chief Suidance Clinic Ltd": with reference to the Minutes of the 2nd May 1934, he does not propose to refer these matters to the Court.

Wednesday, the 10th April 1935.

Present -

The Governor
The Deputy Governor
Mr Grenfell
Sir J Stamp
Mr Hamlin
Sir A. Duncan
Sir G. Hancock
Lord Hynley
Mr Callender

The draft Minutes of the last Meeting were read and agreed as amended.

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 that -

(a) A pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Mildred Meade, a Woman Clerk: age 65 years: service 19 years: £89.6 - a year from the 17th May next inclusive.

(b) An allowance of £60 a year be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Mrs [redacted], widow of [redacted] a Pensioner, formerly Principal of the Accountants' Bank Note Office, from the 28th March last inclusive.

(c) Special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to ten persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

With reference to an application received from J. C. Phillips, a Senior Clerk in the Transfer by Deed Office No 2, for permission to retire under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935, it was agreed to recommend to the Court of Directors that although the amount of Phillips' pension, viz., £290.7.6, is less than that required by an Order of Court of the 2nd February 1928 to remain after commutation, he be allowed, as an exception, to commute $\frac{2}{3}$ of his pension for a cash payment of £596.18.6 at the date of retirement.

10th April 1935.

With reference to the Order of Court of the 7th March 1935 -

"That any Clerk pensioned under the terms of the offer contained in Appendix D of the Interim Report of the Special Committee appointed by the Court of the 3rd January 1935 be allowed on retirement to commute his pension in whole or in part for a single cash payment where, in the opinion of the Governors, the Clerk's circumstances appear to justify such commutation"

the Bank have since been advised that in the case of a Clerk retiring on pension they have no power to agree to the surrender of an insurance effected under the Widows and Children Annuity Scheme.

It was therefore agreed to recommend to the Court of Directors that where a Clerk is insured under the Scheme he be required to retain pension of an amount not less than the sum required to pay his proportion of the annual premiums in respect of the policy.

Report of the Committee on the Permanent Control of Expenditure, dated 12th March 1935.

With reference to Minutes of the 13th March, the following recommendations were approved and it was agreed that they be submitted to the Court of Directors as soon as a suitable nominee for the appointment had been found -

(1) That, in order to assist the Heads of Departments in the task of supervising and controlling expenditure, some person be appointed temporarily to conduct an independent examination of the Bank's expenditure in relation to services performed and goods purchased, the results of his examinations to be embodied in reports made to the Head of the Department concerned as soon as possible after completion, and copies of all such reports to be submitted to the Committee on the Permanent Control of Expenditure at their half-yearly Meeting next following the date of the reports.

(2) That the person appointed to undertake the duty be at liberty to work in close conjunction with the Audit Department and that the Auditor be directed to afford him all possible assistance in the pursuit of his examinations.

CT50 07

~~E 85~~

10th April 1935

(2) That after their first Meeting in 1936 the Committee on the Permanent Control of Expenditure be requested to report to the Committee of Treasury as to whether, in their opinion, the results obtained from these examinations have been such as to justify their continuance.

~~1286~~
CT 50.06

Suspense Account - Stock Frauds

With reference to the Minutes of the 8th March 1933 and earlier, it was agreed -

That the balance to the credit of "Suspense Account - Stock Frauds" be reduced to £500,000 by the transfer from that Account to "Suspense Account - Reserve for Contingencies" of a sum of £1,297,101:18:9.

That the half-yearly contributions to the first-named Account derived from deductions made from sums received $\frac{1}{2}$ Management be discontinued, but that if and when the balance on the Account be drawn below £500,000 in order to meet any losses that may have been incurred, it be restored again to that figure by the resumption of such contributions, calculated on the basis hitherto in force, for such period and to such extent as may be necessary.

The Governor acquainted the Committee of the following matters -

~~1861~~
CT 192 (1)

(1) Armistings. The Minute of the 27th March 1935 had been laid before the Court of Directors on the 1st April and approved.

~~1870~~
CT 51

(2) With reference to Minutes of the 13th February 1935 and earlier, he had told Mr. Siepmann of the work in connection with gold and exchange which it is proposed to ask him to undertake a year hence.

(3) Basle

~~1878~~
CT 100.02 (2)

(a) With reference to Minutes of the 13th March 1935 and earlier, it had been decided by Resolution of the Board of the Bank for International Settlements to invite the General Meeting next month to interpret the Articles to the effect that the liability in respect of partly-paid shares transferred was not and never had been a continuing liability of the transferor. The Governor said that according to the

advice

10th April 1935.

advice he had received the question should have been referred first to the Tribunal provided ^{for} by the Hague Agreement of January 1930.

~~HR 78~~
CT 100 02 (22)

(b) He mentioned that 50% of the bank for International Settlement shares of the American issue had been sold abroad in the past month or so mostly to Belgium and the Board had decided that until their next Meeting no transfers of shares between parties not resident in the same country were to be registered.

~~HR 80~~
CT 30

(c) With reference to Minutes of the 27th March 1935 and earlier, he had discussed with the Governor of the Bank of Italy the trade negotiations between the British and Italian Governments and hoped a clearing might be avoided at this stage in one way or another.

Present -

The Governor
The Deputy Governor
Mr. Frayell
Sir J. Stamp
Mr. Hambro
Sir A. Duncan
Sir E. Peacock
Lord Hayndley
Mr. Cattens.

Wednesday, the 17th April 1935

The draft Minutes of the last Meeting were read and agreed as amended.

The Weekly Statement of Discounts and Advances granted to Bill Brothers, 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. The Fortnightly letter to Dominion Central Banks.
3. The Monthly Report on the discount business of the Bank
4. The Draft Minutes of the April Meeting of the Board of the Bank for International Settlements

The following were submitted and referred to the Court -

1. Committee on Advances and Discounts
Minute recommending the re-opening of a discount account.

2. Staff

17th April 1935.

2. Staff Committee

- (a) Minute recommending appointments, etc.
- (b) Quarterly report on payments made, etc.

It was agreed to recommend to the Court of Directors that special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to seven persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

Committee on the Permanent Control of Expenditure.

CT 50 07

~~E 86~~

With reference to Minutes of the 10th April 1935 and earlier, it was agreed to recommend to the Court of Directors that [redacted] Superintendent of Costing, be seconded temporarily to conduct an independent examination of the Bank's expenditure in accordance with the terms set out in the Minute of the 10th April.

The Governor acquainted the Committee of the following matters-

1. Constantinople Quays Company.

With reference to

Minutes of the 3rd April 1935 and earlier, he said authority had now been received from the Secretary of State for Foreign Affairs for the release to the Bank of the securities and cash comprising the Reserve Fund, together with the additional shares of the Company which had been bought by His Majesty's Government and all rights attaching thereto.

~~E 71~~
CT 151

2. He referred to the death of Dr Popovics, formerly President

of the National Bank of Hungary, and explained why the Bank of England were not represented at the funeral.

CT 41

3. With reference to Minutes of the 5th December 1934 and

earlier, he submitted a communication dated the 29th March 1935 which had been received from the General Secretary of the Green Shirt Movement for Social Credit and read the reply which had been forwarded after reference to the Treasury.

~~E 31~~
CT 165

4. Lancashire Steel Corporation.

He said the

Securities Management Trust had agreed to the proposal for an issue
ch

~~E 31~~
CT 185

17th April 1935

this month of preference shares. The issue was being made through Messrs J. Henry Schroder and Co. who, having been apprised of tentative proposals by the United Steel Companies Ltd. for the acquisition of control of the Company had asked for an assurance that the position of the preference shareholders would not thereby be endangered. The Governor proposes to inform Major Sam verbally that as regards the Lancashire Steel Corporation he recognises that Messrs. Schroders have a common interest with the Bank who intend to play the game towards them.

Wednesday, the 21st April 1935

Present -

The Governor
The Deputy Governor
Mr. Hambro
Sir Edward Pearce
Lord Hyndley
Mr. Callens

The draft Minutes of the 17th April 1935 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 Governor acquainted the Committee of the following matters -

1. A letter had been received from the Editor-in-Chief of the "Empire Movement Annual" asking for remarks regarding the draft of an article on "The New Imperial Currency". The article was considered to be dangerous and the draft had therefore been submitted to the Chancellor, in agreement with whom the Governor had sent the Editor-in-Chief merely a formal acknowledgment of receipt.

2. With reference to Minutes of the 27th February 1935, he read a letter of the 8th April from Mr. J. Traher Taylor, dealing with the Pulp and Paper industry in North America, and his reply thereto. The Governor proposes, if possible, to arrange for a preliminary talk with the Treasury and Mr. Traher Taylor

CT 74

~~E 93~~

CT 192.02

~~E 96~~

21st April 1935

as soon as possible.

CT 181-01

~~181-01~~

3. He read a confidential letter of the 12th April 1935 from Mr Frank Platt, Managing Director of the Lancashire Cotton Corporation Ltd., requesting support for an arrangement recently made by Mr Platt with the German authorities for the export of yarn under a special licence. The Governor considered the arrangement might prove of real value to both countries and had told Mr Platt that his request would be examined.

CT 95

~~181-01~~

4. He had recently heard in Basel complaints of action over London against European gold currencies, which had also been the subject of correspondence with Dr Phipps and Dr Brechmann, it was alleged that this action was being facilitated by Clearing and other bankers in London.

During to an apparent increase in speculation in various directions, the Governor hoped to discuss the general question of exchange and gold dealings with the Clearing Bankers.

5. [redacted] had approached the Bank for advice whether the Company could now take advantage of the present cheapness of money to augment their capital by an issue of Preference Shares. The Governor had suggested the following as an arrangement which the Bank would be willing to carry out:

- (a) That the Bank should take up 500,000 fully paid £1 Cumulative Preference Shares in the place of their present holding of 250,000 "B" Ordinary Shares of £2 cash, £1 paid.
- (b) That the Company should make an issue of 100,000 Ordinary Shares of £1, at £5 a Share, the premium of £400,000 being placed to reserve.

~~181-01~~

CT 180

Thus the Company would take advantage of the present premium on its Shares to improve the ratio of capital to liabilities, without a disproportionate increase in the capital structure, as set forth in a statement which was laid before the Committee.

Wednesday, the 1st May, 1935.

Present

The Governor
The Deputy Governor
Mr. Prescott
Mr. Hambro
Sir Andrew Duncan
Sir Edward Harock.
Lord Hynley
Mr. Cairns.

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

1. Weekly Reports on Central Banks
2. Fortnightly Letter to Dominion Central Banks.

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

1. The Quarterly Report of the Staff Committee on the Accountants, Cashiers and Secretary Departments, etc.,
2. The Quarterly Report of the Committee to consider the Securities of certain Funds;
3. Regulations as revised for the Internal Administration of the Bank.

It was agreed to recommend to the Court of Directors -

1. That a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to J. E. Bowrey, an Auxiliary Woman Clerk, age 50 years on the 30th May next: service 16 years: £66 a year from the 31st May next inclusive.

2. That an allowance of £55 a year be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Mrs. [redacted], Widow of [redacted], a Pensioner, formerly Principal of the Bullion Office, from the 6th April last inclusive.

3. That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to four persons under the terms contained in the Special Committee's Interim Report which

1st May, 1935

which was adopted by the Court of the 21st February 1935.

h. That all Management cost and charges and all incidental expenses incurred from time to time in connection with the Superannuation Fund be defrayed by the Bank and not charged against the income of the Fund.

The Governor acquainted the Committee of the following matters -

1. With reference to Minutes of the 2nd May 1934, he said that Baron Frankenstein had paid him a formal visit by direction of the President and Government of the Austrian Republic to express their thanks and the thanks of the Austrian people to the Bank of England and all concerned for the success which had attended the recent conversion of the Austrian 6% Guaranteed Loan 1923/43. Baron Frankenstein said it was recognised that this success could not have been attained without the help of the Bank of England, nor indeed without the good work of Sir Otto Neunhofer.

ET 38

H

2. With reference to Minutes of the 26th April 1935 he read a note regarding the position of London in relation to speculation in foreign exchange. In agreement with the Treasury, he proposes to submit the note to the London Clearing Bankers at their meeting on the 2nd May.

ET 95

H

3. He had been asked to take advantage of the presence in this country of the Spanish Trade Mission to represent the claim of the Central Mining and Investment Corporation Ltd. against the Spanish Government in connection with the building of the Santander Railway. The Governor read a letter of the 26th April 1935 which, in the absence of the Chancellor, he had addressed to the Treasury on this subject.

H.C. 76

ET 17

h. The Sulphur and Paper Position in North America.

With reference to Minutes of the 26th April 1935 and earlier regarding Mr. Walter Taylor's recent visit to New York and Canada, he read his confidential cable of the 23rd April to the Governor of the Bank of Canada and a supplementary letter of the 26th April enclosing, strictly for Mr. Town's personal information, a copy of Mr. Walter Taylor's report and letter of the 8th April.

ET 192-02

H

In particular the Governor had asked for Mr. Town's opinion whether Canadian interests -

(a) Would

1st May, 1935.

- (a) Would regard Mr. Walter Taylor as the right man to undertake the re-organisation of the industry;
 (b) Would welcome the participation of the Bank of England.

5. With reference to Minutes of the 7th March 1934 and earlier, he said that, in accordance with the usual practice at the beginning of the bank's year, the position of market names had been brought under review.

175
 CT III.

As regards the London and Eastern Trade Bank Ltd., the Anglo-French Banking Corporation Ltd. and A. Ruffin and Sons Ltd., whilst the position was still uncertain the liability which might devolve upon the Bank in their relation to the Discount Market had greatly diminished and was now of little importance.

As regards the London Merchant Bank Ltd. it is through the shareholding in the name of the Securities Trust Ltd. that the bank are concerned and not directly in their relationship to the Discount Market.

The Governor detailed the remaining positions as follows—
Anglo-International Bank Ltd. The contingent liability had been considerably reduced, the net current liabilities to the public being now under £650,000, but this remains a liability the Bank might at any time be called upon to assume. The credit of £1,000,000 placed at their disposal by the Bank in November 1933 is, however, untraced.

CT 123

F. Huth and Company. Deposits and acceptances had been reduced but the balance of current liabilities to the public over quick assets amounted to some £1,400,000. As other assets were difficult of realisation and the capital remained inadequate even for the reduced business the Bank might at any time be obliged to become responsible for or to assume the above liabilities on their own account.

CT 134

b. With reference to Minutes of the 5th September 1934 and earlier, he said the cash position of the Anglo-South American Bank Ltd. gave no cause for anxiety at the present time though the question of ultimate disposal required careful consideration.

CT 122

~~175~~

Wednesday, the 8th May 1925.

Present-

The Governor
The Deputy Governor
Mr. Baillif
Mr. Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Hyndley
Mr. Carreras

The draft Minutes of the last Meeting were read and agreed as amended.

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 that an allowance of £100 a year be granted in accordance with the scale and under the provisions of the Trust Act of the Superannuation Fund to Mr. [redacted] widow of [redacted], a pensioner, formerly a Senior Clerk at the Western Branch, from the 11th April last inclusive.

It was agreed that instructions be given to Spink and Son Limited to acquire on behalf of the Bank the two Roman gold bars which are to be offered for sale this month in Vienna.

The Governor acquainted the Committee of the following matters-

1. The Pulp and Paper position in North America.

With reference to Minutes of the 1st May 1925 and earlier, he read a cable received from the Governor of the Bank of Canada on the 2nd May, an epitome of a telephone conversation with him on the same day and a further cable received on the 4th May.

Mr. Towse had expressed the following views-

- (a) That an attempt on the part of British interests to reorganise the industry is extremely desirable from the Canadian point of view.
- (b) That it would be preferable that the name of the Bank of England should not be associated therewith.
- (c) That the Bank of Montreal and the Royal Bank of Canada did not feel that they could themselves issue an invitation to Mr. Draper Taylor but they would welcome him and extend to him all possible assistance.
- (d) That if Mr. Draper Taylor were sponsored by some bank or financial

house

Historical
Records

CT 192.02
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8th May 1935.

house in England it should provide him with all the background he would require.

The Governor said that a report of his conversation with the Treasury and Mr. Prater Taylor would be submitted to the Committee in due course. Mr. Prater Taylor had embarked on an enquiry among newspaper and Scandinavian interests which would take from two to three weeks.

2. With reference to Minutes of the 22nd June 1932 and earlier, he said that Mr. J. L. Fisher had been appointed to attend Meetings of the Colonial Office Currency Committee in the place of Mr. Kershaw who would return to the Committee as soon as his health permitted.

CT55 ~~CT~~
Office File ~~CT~~

3. With reference to Minutes of the 10th April 1935 and earlier, he read his letter of the 4th May to General Daunay formally repeating a verbal invitation to become the Chairman of the proposed Armstrong Realisation Company and agreeing that there should be four other members of the Board - two from the Securities Management Trust and two from the Trusts holding Preference Shares. The letter also dealt with the presentation of the position at the forthcoming General Meeting.

~~CT~~
CT 192

4. At his invitation Mr. Postmus was attending the Meetings of the Bank for International Settlements this month at Basle as one of the Bank's representatives. Mr. Peppatt will also be at Basle as it was thought that useful contacts might thereby be established.

~~CT~~
CT 100 01

5. He said that arrangements were in course of being made for Mr. S. J. Powell to be seconded to act as Technical Adviser to the Central Bank of ^{the} Argentina. So far with the arrangements would be for a period of one year only and it was anticipated that they would provide for Mr. Powell to receive remuneration from the Central Bank at the rate of £1000 a quarter in addition to certain expenses.

CT 18

~~CT~~

Wednesday, the 15th May 1935

Present-

The Deputy Governor
 Mr Incafell
 Mr Hambro
 Sir Edward Peacock
 Lord Hymaley
 Mr Catterno.

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

- (1) Weekly Reports on Central Banks;
- (2) Fortnightly Letter to Dominion Central Banks;
- (3) Report of the Committee on Advances and Discounts on the Discount business of the Bank for the month of April, and on Special Advances.

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

It was agreed to recommend to the Court of Directors -

(1) That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to two persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

(2) That William Axtell, the Auditor, be appointed Auditor of the Bank Provident Society on behalf of the Court in the room of W. H. Neville, who has been appointed Deputy Secretary.

Wednesday, the 27th May 1935.

Present-

The Governor
The Deputy Governor
Mr. Grenfell
Mr. Hambro
Sir Edward Peacock.
Lord Hymetley
Mr. Callens

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted-

1. Weekly Reports on Central Banks
2. Draft Minutes of the May Meeting of the Board of the Bank for International Settlements.

Arising out of the latter the Governor drew the Committee's attention to the resolution dealing with the "Transfer abroad of the shares of the Bank for International Settlements."

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

It was agreed to recommend to the Court of Directors-

1. That a pension be granted during pleasure and in accordance with the scale to H. H. Sharpe, a compositor at St. Lukes' Printing Works; age 67 years, service 20 years; £81-9-6 a year from the 9th June inclusive.
2. That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to four persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.
3. That on an application from [redacted] valued customers of the Bank, permission be granted to allow the name of the Bank to appear as one of the Bankers in a notice to be issued to the Press in connection with Shares of that Company.

The Deputy Governor referred to the Order of Court of the 14th December 1899 governing the use of the Bank's Vote in respect of

22nd May 1935Office File M106
~~776~~

of Securities pledged. In recent cases, however, the sanction of the Court had been obtained in respect of holdings other than those prescribed under this Order of Court.

It was agreed that the terms of the Order of Court of the 14th December 1899 as confirmed by the Order of Court of the 17th December 1908 be strictly adhered to in future.

The Governor acquainted the Committee of the following matters -

ET. 100.01

1878
(23)

(1) He referred to discussions which he had had in Basle regarding successors to Mr. Draper and Mr. McSarrath, the retiring American Directors on the Board of the Bank for International Settlements. The names proposed were Mr. Dean Jay and, if he should prove available, Professor Sprague.

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1884 c13702

(2) With reference to the Minutes of the 8th May and earlier, he referred to a meeting he had had on the 3rd May with Sir Frederick Phillips and Mr. Inator Taylor at which the problem of pulp and paper in North America was discussed.

He read a note of an interview he had had with Mr. Bennett on the 8th May during which the questions of Airways, the pulp and paper position and also the general question of Canadian credit were discussed. He also read a copy of his confidential cable of the 10th May to Mr. Towers.

1898

ET 44

(3) Mr. Coughton, Chairman of the Industrial Advisory Committee of the Federal Reserve Bank of Boston, had called to see him bearing letters of introduction from the Governor of the Federal Reserve Board Washington and from Professor Sprague. He had arranged certain interviews with the object of facilitating Mr. Coughton's inquiries.

Wednesday, the 29th May 1935

Present -

The Governor
The Deputy Governor
Mr Innes
Mr Hambro
Sir Edward Peacock
Lord Hymaley
Mr Callens

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted

1. Weekly Reports on Central Banks.
2. Fortnightly Letter to Dominion Central Banks.

It was agreed to recommend to the Court of Directors that special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to three persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

The Governor acquainted the Committee of the following matters -

1. With reference to the Minutes of the 27th February and earlier, he submitted a letter from the Reichsbank concerning the repayment on the 25th May of a further sum of £200,000 of their Advance. The balance of the Advance, viz., £350,000, would remain at the disposal of the Reichsbank in accordance with the terms of the original agreement.

2. He read -

(a) A confidential cable of the 25th May received from the Governor of the Bank of Canada asking whether in certain eventualities the Bank would be prepared to grant them a credit up to £2,000,000.

(b) His reply of the 27th May agreeing to hold this amount at the disposal of the Bank of Canada against the security of Dominion of Canada Bonds.

HE 166
CT 45

HE 99
CT 37.01

29th May 1935.3. Exchange Control

With reference to the Minutes of the 1st May and earlier, he referred to the favourable reception given to his memorandum of the 2nd May by the Clearing Bankers and read his letter of the 27th May to the Governor of the Bank of France informing him of the steps he had taken to obtain the co-operation of British Bankers to limit speculative transactions in this country. Letters in similar terms had been sent to the Governors of the Central Banks of Switzerland and Holland.

LE 94
CT 954. Exchange Equalisation Fund

He referred to certain proposals which had lately been put forward from two sources in regard to the exchange of information between this country and America concerning the operations of the respective Equalisation Funds. He read his letter of the 27th May to the Treasury deprecating this proposal and stating that should an arrangement along these lines eventually be agreed upon such information as is made available should pass as from one Government to another and be communicated through the medium of A.S. Treasury Official resident in Washington.

H.F.1
CT-815. B. I. S. Shares.

With reference to the Minutes of the 27th August 1930 and those of the 22nd May 1935, he referred to the proceedings of the B. I. S. showing their concern at the extent to which shares had been transferred to other countries from the markets in which they were originally placed and to the restrictions now imposed on the registration of transfers of these shares. In accordance with Resolution No 620 of the Board of the B. I. S. and before any question arose as to its future conduct or financial position the Governor thought that the Bank should offer to repurchase the 3,450 shares sold to various members of the London market in 1930; if this suggestion were approved he thought that offers might be made to existing holders on a basis of the original sale price, viz, £24.15.7, which in fact approximated very closely with the present quotation for the shares on the Paris Bourse converted into sterling at the franc/sterling rate. After discussion it was agreed that this step be taken.

L.D. 78
(21)
CT 100.02

Wednesday, the 5th June 1955

Present -

The Governor
The Deputy Governor
Mr Grenfell
Mr Hambro
Sir Edward Peacock
Mr Carters.

The draft Minutes of the last Meeting were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

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

It was agreed to recommend to the Court of Directors -

1. That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to
 - (a) C. E. Freeman, Principal, dividend accounts office: age 65 years; service 45 years: £926.2.6 a year from the 19th June next inclusive.
 - (b) A. B. A. Ray, an Auxiliary Male Clerk: age 65 years; service 19 years: £171 a year from the 18th June next inclusive.

2. That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to four persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1955.

3. That a donation of £500 be made to the Fund now being raised as a memorial to the late Mr J. C. Goodenough in connection with the endowment of 'London House'

The Governor acquainted the Committee of the following matters -

- (1) With reference to the Minutes of the 9th November 1927

1861(2)
CT. 192.01

5th June 1925~~1861~~

(2)

CT 192-01

and earlier he reported that the Chairman of Messrs. Vickers-Armstrongs had received a summons to give evidence before the "Royal Commission on the private manufacture of and trading in arms" and that he will probably be questioned regarding the Company's contract with the Sun Insurance Office, the Bank's interest in which is not generally known.

He submitted a draft note which had been prepared as a guide for the Chairman's use in the event of such evidence being required by the Commission and referred to letters dated the 6th June, which he had written to various persons who had been concerned in the arrangement at its inception, enclosing copies of the draft note for their comment.

(2) Constantinople Quays Company

~~HE 71~~

CT 151

With reference to the Minutes of the 17th April 1925 and earlier, he informed the Committee that the additional shares and the balance of the Reserve Fund referred to therein had now been received by the Bank. The Cash received, together with certain interest previously held in suspense, were now being applied in writing down the cost of the total holding in the Bank's books which would then stand at £24,796-8-

~~D 12~~

CT 164

(3) With reference to the Minutes of the 6th March 1925 and earlier as to the advance to the Oceanic Steam Navigation Co. he read a letter of the 27th May 1925 from the Chairman suggesting that the rate of interest on this advance should be reduced to 2%. He read also his reply of the 28th May 1925 expressing the Bank's willingness to consider such a reduction only when a satisfactory scheme for liquidation of the advance should become effective.

Wednesday, the 12th June, 1935.

Present :-

The Governor,
The Deputy
Governor,
Mr. Greenfell,
Mr. Hambro,
Sir E. Peacock,
Lord Hyndley,
Mr. Cattens.

The draft Minutes of the last Meeting 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 :-

- (1) Weekly Reports on Central Banks.
- (2) Fortnightly Letter to Dominion Central Banks.

It was agreed to recommend to the Court of Directors :-

- (1) That in response to an appeal from the Lord Mayor a donation of not more than £1000 be made to the "Quetta Earthquake Relief Fund", the precise amount to be determined by the Governor after consultation with the Clearing Bankers as to the amounts of their subscriptions.
- (2) That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to eight persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

The Governor acquainted the Committee of the following matters -

H46.
CT.192.02.

- (1) The Pulp and Paper positions in North America.
With reference to Minutes of the 22nd May and earlier, he read a note of his meeting on the 5th June with Mr. Frater Taylor and two representatives

12th June,
1935.

representatives of the Treasury, when a course of action was agreed upon regarding the Newfoundland Company and a decision reached that for the present no further steps be taken in regard to the larger question of the general re-organisation of the industry.

The note submitted was subject to confirmation by Mr. Frater Taylor on his return to this country.

~~1250~~

~~176~~

CT 0 04
CT 39
+ CT 39 03

(2) He referred to the Foreign Office announcement that arrangements had been made for Sir Frederick Leith-Ross to proceed to China early in August in order that he might be in a position to advise the British Government on the financial and economic position of that country.

The Governor said that several weeks ago he had been asked to recommend a suitable man - not a Civil Servant - for this work. In agreement with the Chancellor, he had sounded Sir Basil Blackett and satisfied himself that he was the right man. Sir Basil Blackett was subsequently interviewed at the Treasury and handed for perusal official papers dealing with the subject, but no invitation had been forthcoming. Instead it had been decided by the Cabinet that a Civil Servant was the only choice.

The Governor wishes to give all the assistance in his power to Sir Frederick Leith-Ross and proposes if possible to arrange for either Mr. [redacted] services or those of a suitable member of the Staff to be placed at his disposal.

~~1274~~
CT 95

(3) With reference to Minutes of the 29th May and earlier, he read his cable of the 7th June to the Governor of the Federal Reserve Bank of New York, informing him of the steps taken in London to restrict facilities for speculation in foreign exchange and for gold. He also read the reply sent by Mr. Sproul in Mr. Harrison's absence.

Wednesday, the 19th June, 1935.

Present:

The Governor,
The Deputy Governor,
Sir Josiah Stamp,
Mr. Hambro
Sir Andrew Duncan,
Sir Edward Percocks,
Lord Hyndley,
Mr. Cattermole

The Draft Minutes of the last Meeting were read and agreed as amended.

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

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

The following were submitted:

1. Weekly Reports on Central Banks;
2. Report of the Committee on Advances and Discounts on the discount business of the Banks for the month of May.

The Governor acquainted the Committee of the following matters -

~~F. 2~~
CT 32

(1) He referred to a letter of the 12th June from the India Office, and his reply thereto, regarding the possibility of Sir O. S. Niemeyer undertaking, before the new Constitution of India comes into effect, an enquiry into the financial relations between the Centre and the Provinces.

~~F. 4~~
CT 81

(2) He read the following confidential communications which had passed between himself and the Governor of the Bank of Canada on the subject of the stabilisation of the exchanges:

- (a) his cable of the 5th June;
- (b) Mr. Towers' letter of the same date;
- (c) his letter of the 19th June.

~~F. 45~~
CT 134

(3) Messrs. F. Huth & Company. with reference to Minutes of the 4th January, 1928 and earlier respecting the advance to F. A. König, he said that the last £100,000 of the advance which

was

19th June, 1935 was repaid in January 1933 and still held on a Suspense account. He proposes, with the concurrence of the Committee, to re-lend this sum should the necessity arise and it prove possible to make reasonable arrangements.

~~124~~
CT 192 (4) Armstrong. He read the Minutes of the 27th March 1935 and said that a Meeting had been held on the 13th June at which Mr Clifford Johnston was present. The plan, as proposed, had been accepted by Mr. Clifford Johnston, who agreed to co-operate and was prepared to serve on the Board of the Securities Company.

~~127~~
CT 36 (5) He said that Mr Postinus would shortly arrive in this country and that he had invited him to a Dinner at the Hyde Park Hotel on the 27th June to meet, amongst others, representatives of South African business interests.

~~128~~
Historical Records Files (6) With reference to Minutes of the 8th May, he reported the purchase of the two Roman Gold Bars for the Bank's Museum.

~~125~~
CT 70 04 (7) He said that Mr Ashley Cooper had been invited to become a member of a Committee appointed by the Secretary of State for Air to advise him on questions arising out of orders to be placed with aircraft manufacturers in connection with the expansion of the Air Force.

The Committee agreed that an appointment of this nature did not come within the provisions of the Order of Court of the 17th January 1929 relating to the Regulations for Directors and therefore the consent of the Court was not required.

(8) Basle.

(a) With reference to Minutes of the 22nd May, he

19th June, 1935

CT 100.01 (144)

he said that the resignation of Mr. Fraser and Mr. Mc Garrath from the Board of the Bank for International Settlements as from the 30th June had been received. The question of their successors was still under discussion and may depend on the ability of the Governor of the Federal Reserve Bank of New York, to assume his official membership.

CT 100.03 (75)

CT 100.04

(b) With reference to Minutes of the 5th December 1934, he said that the question of Central Banks' representatives on the Management of the Bank for International Settlements was still troubling him, particularly in regard to the position of Mr. R. H. Porters. It was, however, difficult to see how the position could now be improved, as it was necessary that a representative should be resident in Basle in order that essential contacts might be maintained.

Wednesday, the 26th June, 1935.

Present:—

The Governor,
The Deputy Governor,
Sir Josiah Stamp,
Mr Hambro,
Sir Andrew Duncan,
Sir Edward Peacock,
Lord Hyndley,
Mr. Callmond.

The draft Minutes of the last Meeting 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:

- (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.

It was

It was agreed to recommend to the Court of Directors -

1. That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

(a) C. G. Ramsay, an Auxiliary Male Clerk:
age 64 years: service 17 years:
who in the opinion of the Bank's
Medical Officer is unfit for further
service: £153 a year from the
1st July inclusive.

(b) Richard Tomlinson, a House Porter and
Watchman: age 53 years: service
24 years: who in the opinion of the
Bank Medical Officer is unfit for
further service: £106 ÷ 1 ÷ 8 a
year from the 28th June inclusive.

2. That Special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to two persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February, 1935.

HA 54
CT 4.01

With reference to Minutes of the 3rd April, the Deputy Governor informed the Committee that the [redacted] had decided to avail themselves of the facilities offered by the Bank to the extent of £2,000,000: the advance to be granted on the basis of Clause 10 (A) of [redacted] letter of the 8th March, for a nominal period of three months at Bank Rate varying.

HA 54
CT 165

With reference to Minutes of the 17th April and earlier, the Governor said the Green Shirt Movement for Social Credit had without authority published in pamphlet form the letters addressed to him by their General Secretary between the 14th May 1934 and the 27th March 1935, together with the Bank's replies thereto. Copies of the pamphlet were submitted.

Wednesday, the 3rd July 1935.

Present -

The Governor
The Deputy Governor
Mr. Hambro
Sir Andrew Duncan
Sir Edward Peacock
Lord Hyndley
Mr. Carreras.

The draft Minutes of the last Meeting were read and agreed.

The Weekly Statements 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.

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

It was agreed to recommend to the Court of Directors -

(1) That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to the following persons -

- (a) J. B. Drower, an Auxiliary Male Clerk: age 65 years on the 11th July next: service 19 years: £171 a year from the 12th July next inclusive.
- (b) H. S. Korbright, an Auxiliary Male Clerk: age 65 years on the 6th July next: service 17 years: £153 a year from the 7th July next inclusive.
- (c) M. J. Goulland, a Woman Clerk: age 50 years on the 10th July next: service 20 years: £94 a year from the 11th July next inclusive.
- (d) M. A. Woodward, an Auxiliary Woman Clerk: age 50 years on the 24th July next: service 16 years: £64 a year from the 25th July next inclusive.

(2) That a special pension be granted under the provisions of the Trust Deed of the Superannuation Fund to one person under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

3rd July 1935

It was agreed to recommend to the Court of Directors in due course that

Mr W. K. Whigham
 Mr P. Ashley Cooper
 Mr E. Holland - Martin
 and
 Mr K. O. Poppatt

be requested to serve as Directors of the London Electric Transport Finance Corporation Limited, a Company to be formed in pursuance of Clause 3 of the Agreement set out in the schedule to the London Passenger Transport (Agreement) Bill now before Parliament.

The Governor acquainted the Committee of the following matters -

1. He read a note concerning the recent offer on behalf of Vickers to purchase the balance of both classes of Preference Shares and of the Ordinary Shares of Vickers-Armstrongs. The note stated, inter alia, that a sale of the Ordinary Shares held by Armstrong Whitworth Securities Company Ltd. would be conditional upon agreement as to the amounts liable to be paid to the Bank under the Sun Insurance contract.

2. He said that the Bank had been notified by Lazard Brothers and Company Ltd. that, with the concurrence of the Treasury, they were negotiating for a credit to the Bank of Spain, for which they had already suggested a basis. The Governor took a serious view of the fact that neither the Treasury nor Lazard had consulted the Bank before definite discussions were begun.

Other Houses in London had lately consulted the Bank on this subject and had been advised against such business unless the credit were granted against external security.

3. He read a letter of the 1st July which, in view of the complications that had arisen regarding the Spanish credit, he had written to the Treasury in order to place on record that he had strongly discouraged the raising in London of 12 months' sterling credits by certain Italian manufacturers.

4. He had been informed by Messrs J. Henry Schroder and Company that they were supplying capital of from £250,000/£500,000 for a Securities Company to be set up in their office to undertake business, principally industrial and possibly speculative, similar to that of several successful Finance Companies, with the result that, while maintaining their

acceptance

CT 192

CT 192.01

+B.41(2)

+B.41(1)

+B.41(3)

+B.32

CT 17

+B.41

+ SEC. 10

+E.9

+C.7b

+C.7b

CT 17

+E.88

CT 30

+D.10

CT 113

CT 113.0

3rd July 1925

acceptance, banking and loan business as far as possible, the firm would have less liquid capital and a moral responsibility for the new company.

The Committee saw in this instance a precedent which might lead to a dangerous position and agreed that in principle the Bank's traditional willingness to take approved acceptances without limit in the Discount Office must be safeguarded, or indeed limited, not only by the character and resources of the acceptors but also by the use and liquidity of those resources.

5. Anglo-International Bank Limited

He said that during 1924 the Anglo-International Bank Limited had reduced their German commitments by £382,000 at a discount of not more than 60 per cent., leaving a balance of £582,000 outstanding. The discount had now widened to 43 per cent. and Sir Bertram Hornsby was not inclined to continue the process of liquidation at this rate. The Governor said that the Bank were under an obligation to give full support to Sir Bertram Hornsby with whom he considered the decision should be left. The Committee concurred.

Sir Bertram Hornsby had also raised the question of further purchases by the Bank of shares of the Anglo-International Bank for credit reasons in view of the present quotation of about 1/2. Apart from his belief in the value of the shares, the Governor said that if it were Sir Bertram Hornsby's wish he was prepared to purchase any number of shares within reason at the present price. The Bank already hold 60% of the shares, viz., 1,127,386 out of a total of 1,960,000.

b. He referred to the informal meetings which had taken place early in 1921 between members of the Currency Committee of the Labour Party on the one hand and Professor Sprague and himself on the other, on the understanding that no reference to the meeting should appear in the Press or elsewhere.

The publication in the Press recently of a letter written by a Socialist Member of Parliament attributing to him certain statements purporting to have been made during these conversations has been brought to his notice by a Mr. [redacted], whom as a result he has since interviewed.

Clearly nothing could be done except to explain to Mr. [redacted] to the best of his recollection the happenings of that time; he read a copy of a letter which Mr. [redacted] had issued to the Press before

~~1823~~

CT 123

~~1875~~~~1815~~

CT 74 02

3rd July 1935.

before he had had an opportunity of commenting thereon.

He has now written a letter to Lord Stratholgi, at whose instigation the meetings were arranged, setting out the course of these recent work and thus the matter stands for the time being.

ET 70 P3

~~1245~~

J. In view of the approach of the holiday season he wished to remind the Committee of the impending retirement from the Court of Mr Newman and of Mr Clegg. He asked the Committee to bear in mind the question of their successors and submitted names for consideration.

Wednesday, the 10th July 1935

Present-

The Governor
 Sir Josiah Stamp
 Mr Hambro
 Sir Andrew Duncan
 Sir Edward Leacock
 Lord Hyndley
 Mr Cotton.

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

1. Weekly Reports on Central Banks
2. Fortnightly Letter to Dominion Central Banks.

It was agreed to recommend to the Court of Directors -

1. That a special provision be granted under the provisions of the Trust Deed of the Superannuation Fund to one person under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

2. That the following be appointed to serve on the Advisory Council of Directors and Staff for the ensuing year -

Sir Alan Anderson (Chairman)

Mr Gladstone

Lord Hyndley

Mr Holland-Martin

Mr Walker

Mr [redacted]

10th July 1935

The Governor acquainted the Committee of the following matters -

~~10.15~~
CT 74.02

1. Meetings with the Currency Committee of the Parliamentary Labour Party in 1931.

With reference to Minutes of the 3rd July he said Lord Strabolgi had forwarded a copy of a letter he was sending to the Press. The letter, which explained the circumstances in which the Meetings were arranged and deprecated the fact that such private proceedings should have been made the subject of public controversy, was read to the Committee.

~~10.6.1~~
(1)
CT 192.

2. Armstrong's.

With reference to Minutes of the 19th June and earlier, he said the following had been appointed to serve on the Board of the Armstrong Realisation Company, viz:-

General Daunay.	Chairman
Sir Edward Reid.	Representing the Second Stock Trust.
Mr E. B. Lockhart	Representing the Consolidated Stock Trust.
Mr Bruce Gardner	} Representing the Bank.
Mr Skinner	

~~10.29~~
CT 180.

3. United Dominions Trust

With reference to Minutes of the 26th April 1935, he read the Bank's letter of the 1st July agreeing to the proposal for the issue of 175,000 Ordinary Shares at £4.10:- which were to be offered to existing shareholders on the 12th July: the previous suggestion having been for an issue of 100,000 Ordinary Shares at £5. Mr Gibson Jauré's reply, in which he referred to the undertaking of his Board to make no further issue of capital without the consent of the Bank so long as they had a substantial shareholding in the Company, was also read.

~~10.7~~
CT 95.06

4. He said that a Mr E. B. Dutt, a Eurasian domiciled in Switzerland, claims to have discovered a process by which gold can be manufactured at a cost at least 25% less than the present price. The process is not applicable to the manufacture of silver.

Mr Dutt recently called at the Bank with a representative of J. L. Wilson and Company, a firm of Solicitors, and explained that his discovery had been made known to the Bank of France.

10th July 1935

France. Subsequently General Hance informed the Bank that he knew Mr Dutt personally.

The Governor said that during his recent visit to Paris he had discussed the subject with Monsieur Jannery and Dr Dup. Mr Dutt's claims were being investigated at Monsieur Jannery's request by Professor Pascal, who would give no final decision until he had been authorized to set up his own plant under personal supervision in Paris.

There was no question of the alleged discovery being kept secret and the Bank had given an outline of the position to the Treasury.

Wednesday, the 17th July 1935

Present-

The Governor
The Deputy Governor
Mr Hambro
Sir Andrew Duncan
Sir Edward Pearce
Mr Catterns

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

- (1) Weekly Reports on Central Banks;
- (2) Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of June;
- (3) Draft Minutes of the July Meeting of the Board of the Bank for International Settlements.

A Minute of the Committee on Advances and Discounts recommending the closing of a Discount Account was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors that special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to two persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

The Governor acquainted the Committee of the following matters :-

17th July 1935

matters -

CT 192 ~~F.B. 61 (3)~~CT 192 01 ~~F.B. 61 (2)~~~~F.B. 61~~

(1)

1. With reference to Minutes of the 3rd July and earlier, he read a Note saying the Bank had agreed to the sale to Vickers Ltd. of the Ordinary Shares of Vickers-Armstrongs Ltd. held by Armstrong Whitworth Securities Co. Ltd. for a sum of £200,000. He had told General Lawrence that he hoped an offer would be forthcoming in the near future for the Bank's contingent interest under the Sun Insurance contract. General Lawrence promised to consider the matter.

~~F.B.~~

CT 90

2. At a recent meeting with certain bankers he was asked if it were possible for any action to be taken in regard to the use of the word "bank" in the title of firms such as Louis' Bank Ltd. This particular Company was established in 1931 to acquire the business formerly conducted in the "Banking" Department of Louis' Ltd., Drapers, with an extensive business chiefly in Manchester, Birmingham, Leeds and Glasgow. The Governor referred to a question on this subject in the House of Commons recently when the President of the Board of Trade had said it had been noted for investigation when the amendment of the Company's Act was under consideration.

After discussion it was decided to consider the matter further next week.

~~F.B.~~

CT 113. 01

3. He read the Minute of the 3rd July regarding the formation by an Accepting House of a subsidiary company to engage in industrial, finance and underwriting business and said he was much exercised by such changes and by the president thereby created.

He said the position had to be carefully considered in its relation to the business of the discount office and submitted a Note for the Committee's consideration at their next Meeting.

The Governor proposes that the questions arising from the Note be brought before the Committee on Advances and Discounts in due course.

4. He said that in the course of a few weeks Mr. E. J. Buntbury would be coming to the Bank, where at first he would act in the capacity of an Adviser. He asked the Committee to consider whether at a later stage his services could be more advantageously employed internally or externally, e.g., as a member of Boards of outside Companies.

Secretary's
File: ~~F.B.~~
P146

17th July 1935

192

5. With reference to the proposed Cable Investment Trust Company, he said -

~~H 500~~
CT 70 04

(a) A request had been received from Sir Basil Blackett on Wednesday evening last for leave to join the Board. As it was necessary to obtain the permission before the next Meeting of the Committee, his application had been referred direct to the Court.

~~H 70~~
CT 78

(b) He had given permission for Messrs J and A. Scrimgeour to act as Brokers to the Company, such action being within the terms of the understanding reached with them in January 1933.

~~H 94~~
CT 95

b. He had taken up with Barclays Bank and the Standard Bank of South Africa, the question of safeguarding the position in South Africa as to speculation in Gold Mining Shares. He read a letter from the Standard Bank of South Africa assuring him that the position both here and in South Africa was carefully scrutinised and controlled, but the Board were informing their General Manager in South Africa of the need for special and continued vigilance.

~~H 25~~
CT 81

f. He informed the Committee that during Mr. Callerin's absence on holiday Mr. Clay would take over his responsibilities in connection with exchange questions.

~~H 80~~
CT 70
- SEC 2

g. He referred to the Press reports of the activities of Sir Basil Blackett in connection with the formation of a "Council of Action for Peace and Reconstruction" which had been the subject of a question in Court on the 11th July. He said it was not yet known whether Sir Basil Blackett was in fact a member of the Council but he read a Minute of the 5th April 1933 when the Committee agreed that it was undesirable for any member of 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 might be required to advise the Government.

After discussion it was agreed to postpone consideration of the question until the next Meeting. In the meantime the Governor proposes to seek an opportunity to speak to Sir Basil Blackett on the subject.

Wednesday, the 24th July 1935

Present-

The Governor
The Deputy Governor
Sir Joseph Stamp
Mr Hambro
Sir Edward Seacock

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

- (1) Weekly Reports on Central Banks.
- (2) Fortnightly Letter to Dominion Central Banks.

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

Staff Committee

- (a) Minute recommending appointments, etc.
- (b) Quarterly Report on payments made, etc.
- (c) Quarterly Report on the Accountant's, Cashier's and Secretary's Departments, etc.

It was agreed to recommend to the Court of Directors that an allowance of £17 a year be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Mrs [redacted] widow of [redacted], a Pensioner, formerly Messenger to the Stock Office Library.

The Governor acquainted the Committee of the following matters -

1. The position of Directors' firms in relation to the business of the Discount Office.

With reference to Minutes of the 17th July 1935 and earlier, he laid before the Committee a note of the 19th July and it was agreed that the following questions be submitted to the Committee on Advances and Discounts at their next Meeting -

- (1) Are the Bank to continue to give at all times

undoubted

~~LD 10~~
~~LB 40~~
CT 13
CT 13.01

24th July 1935.

undoubted and unqualified reports upon all "Directors' firms"?

(II) (a) Are all acceptances of "Directors' firms" to be regarded as approved in accordance with present practice?

(b) Are the Bank to continue to take such approved acceptances without limit?

(III) Is the privilege hitherto enjoyed by "Directors' firms" of being allowed to discount without limit to be continued.

(IV) The present practice is known to the Market and is undoubtedly regarded by them as entailing an obligation on the part of the Bank to carry such "Firms" should they get into difficulties. Is it realised that an affirmative answer to the above questions will mean a continuance of this commitment?

~~178~~
CT 90

2. With reference to Minutes of the 17th July in regard to the use of the word "bank" in the title of firms such as Lewis' Bank Ltd., he referred again to the answer of the President of the Board of Trade to a recent question on this subject in the House of Commons and said that in his opinion the Bank could take no useful action at the present time. The Committee agreed.

~~180~~
CT 70
Y SEC. 2.

3. With reference to Minutes of the 17th July, he said he had spoken to Sir Basil Blackett who said that he was not a member of the Council of Action and was in no way connected with it nor would he advocate any alteration in the present constitution of the Bank.

A note of the conversation, which had been approved by Sir Basil Blackett, was read to the Committee.

~~183~~
CT. 122.

4. Anglo-South American Bank Ltd.

With reference to Minutes of the 1st May and earlier, he said a suggestion had been made that Lloyd's Bank should be approached on the subject of their amalgamating the Anglo-South American Bank with the Bank of London and South America. In principle he was opposed to the suggestion and intends, though

without

26th July 1925.

without much hope of success, again to discuss with the Governor of the Bank of Canada, in Ottawa, an arrangement between the Anglo-South American Bank and the Royal Bank of Canada in respect of its branches in South America.

In any event, some early decision must be reached considering not only the serious position of the Anglo-South American Bank but also the need of a successor to Sir William Hornby and it might be wise again to approach Mr. Morano or someone of like experience failing success in any other direction.

CT 18 ~~LC 76~~

5. With reference to Minutes of the 8th May, he said a letter had been received from the Central Bank of the Argentine requesting that Mr. Powell be seconded to them as Adviser for a period not exceeding one year and agreeing to all the terms suggested. The Governor read a message he proposes, subject to the approval of the members of the Court, to telegraph to the President of the Central Bank.

CT 96 ~~LC 77~~
~~LC 74~~

b. He referred to the recent speculation in silver both here and in the Far East and said that, in view of the attitude of the U.S.A., these questions needed attention in London and by the Reserve Bank in Bombay.

~~LC 76~~
CT 45

7. He said that the Treasury had sent him a letter addressed to them by the Foreign Office referring to the possibility of the German Government applying to the City in the near future for new credits to be used nominally in payment for imports but in fact for financing expenditure on armaments. He read his reply of the 18th July to the Treasury and said he proposes to refer to the subject at the Bankers' Meeting next week.

Mr. Hambro then left the Committee.

~~LC 70~~
CT 20

8. He said that, following on recent conversations in Copenhagen between the National Bank and representatives of the Bank, he had written on the 11th July to the Governor of the National Bank and to the Treasury giving reasons against the immediate issue in London of a Danish loan to consolidate sterling floating indebtedness and emphasising the long continued worsening of Denmark's external financial position.

24th July 1935

In spite of the above and of his request for delay Hambros Bank had applied to the Treasury on behalf of the Danish Government for permission to make such an immediate issue. He was distressed by the further lack of co-operation on the part of Directors' firms.

In connection with recent proposals relating to Spain and Denmark he referred to the need for a Committee to advise the Chancellor as to giving permission under the "embargo" for foreign issues in this market.

CT 115
 F 277: Embargo
 CT 117: C 76: Spain
 CT 120: D 70: Denmark

Wednesday, the 31st July 1935

Present-

The Deputy Governor
 Sir Joseph Stamp.
 Mr Hambro.
 Sir Edward Peacock
 Lord Hyndley.

The draft Minutes of the last Meeting were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

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

1. Quarterly Report of the Committee to consider the Securities of certain Funds.
2. Quarterly Report of the Audit Committee.

It was agreed to recommend to the Court of Directors -

1. (a) That a special pension be granted under the provisions of the Trust Deed of the Superannuation Fund to J. S. Bond, a 1st Class Clerk in the Secretary and Accountants' Office, St. James' Printing Works, under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

(b) That, although the amount of Bond's pension is less than that required by an Order of Court of the 2nd February 1928 to remain after commutation, viz. £300, he be allowed, as an exception, to commute

£107.15.6

31st July 1935

£107.15.6 of his pension for a cash payment of £1,699.15.9 at the date of retirement.

2. That a General Court to consider of a dividend be held on Thursday, the 19th September.

3. That, in response to an appeal from the Committee of the Bank Clerks' Orphanage, a gross amount of £3850 be paid to the Orphanage, under covenant, in seven annual instalments, subject to the appropriate deduction on account of Income Tax, the first of such payments to be made in February next: this contribution to take the place of the present annual donation of 200 guineas.

4. That Mr Weir be appointed an additional member of the Special Committee on the Rebuilding of the Bank.

~~L. 23~~
CT. 122

Anglo South American Bank Ltd.

With reference to Minutes of the 26th July and earlier, the Deputy Governor said that Sir Bertram Hornsby had informed the Governor on Thursday last of recent adverse developments, and the position had been discussed at a Meeting ^{on the 29th July} when the Governor, the Deputy Governor, Mr Hambro, Sir Edward Peacock and the Chief Cashier were present. The Deputy Governor submitted a memorandum of the 26th July setting out the position together with a note of the Meeting. The Committee agreed with the decision that, with a view to avoiding any commitment, Sir Bertram Hornsby be informed that he was free to discuss unofficially the ways and means of a fusion between the Anglo-South American Bank and the Bank of London and South America.

Wednesday, the 7th August 1935.

Present-

The Deputy Governor agreed.

Sir Joseph Stamp

M^r Hambro

Lord Hyndley

M^r Carters

The draft Minutes of the last Meeting were read and

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. Foreignly Letter to Dominion Central Banks

It was agreed to recommend to the Court of Directors -

1. That a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Malcolm Williamson, Principal, In-Sellers' office: age 65 years; service 45 years: £727.5-6 a year from the 16th August next inclusive.

2. That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to four persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

3. That an allowance of £50 a year be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Mrs. [redacted], widow of [redacted], a Pensioner, formerly a 1st Class Clerk in the Bank Stock Office, from the 11th July last inclusive.

4. That permission be granted to M^r Gladstone to visit the Leeds and Hull Branches in the room of M^r Hillson.

Women's Sports Club

With reference to the minutes of the 23rd January 1935, M^r Martin attended the Committee and submitted a memorandum containing an estimate of the cost of building a new pavilion at Rothamptow for the members of the Women's Sports Club. He explained that the

CT69.10
1256.

7th August 1935.

that the previous estimate submitted had amounted to approximately £10,000 but that by careful revision this figure had been reduced to £7,811 for the structure.

It was agreed to sanction this expenditure and such further reasonable expenditure as would be involved in furnishing the new building. Mr. Martin explained that the question of the conversion of the old pavilion as residential quarters for the stewardess was still under discussion.

~~172~~
et 32

With reference to Minutes of the 19th June 1935, the Deputy Governor informed the Committee that at the request of H.M. Government arrangements had now been made for Sir O.E. Nisonger to visit India to enquire into and advise upon certain questions concerning the financial relations between the Centre and the Provinces. It was expected that Sir Otto would leave for India shortly after Christmas and return to this country before the end of March.

Wednesday, the 14th August 1935

Present :-

The Deputy Governor
Sir Josiah Stamp
Mr Hambro
Lord Hymetley
Mr Catterns

The draft Minutes of the last Meeting were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

The following were submitted and referred to the Court -

Staff Committee

- (1) Minute recommending appointments
- (2) Report recommending the election of 25 Probationary Male Clerks to the Permanent Staff.

It was agreed to recommend to the Court of Directors that

16th August 1925

that special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to nine persons under the terms contained in the Special Committee's Interim Report which was adopted by the Council of the 21st February 1925.

The Deputy Governor acquainted the Committee of the following matters -

~~ET 45~~

ET 45

(1) With reference to the Minutes of the 27th May and earlier, he submitted a letter which had been received from the Reichsbank intimating their intention to repay on the 20th August a further sum of £200,000 of their advance. In accordance with the request contained in this letter the balance, viz. £150,000, will remain at the disposal of the Reichsbank under the conditions of the original agreement.

~~ET 4.01~~

(2) With reference to the Minutes of the 21st June and earlier, he informed the Committee that [redacted] had decided to avail themselves of the facilities offered by the Bank to the extent of a further £2,000,000, i.e., the balance of the credit of £4,000,000 originally placed at their disposal: the advance to be granted on the same basis as was the previous advance already reported to the Committee.

Wednesday, the 21st August 1925

Present:-

The Deputy Governor
Sir Josiah Stamp
Lord Hyndley
Mr. Cawston

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

- (1) Weekly reports on Central Banks
- (2) Forthrightly letter to Dominion Central Banks.
- (3) Report of the Committee on Advances and Discounts

on the

21st August 1935

on the discount business of the Bank for the month of July and on special advances, etc.

A Minute of the Committee on Advances and Discounts recommending the continuance of facilities granted to certain customers in regard to advances, etc., was submitted and referred to the Court.

It was agreed to recommend to the Court of Directors

(1) That pensions be granted to the following -

(a) M.S. Macdonald, a Technical Assistant at St. Luke's Printing Works: age 61 years: Service 13 years: Scale Pension £260:13:6 a year from the 1st August inclusive.

(b) R.S.M. Stork, a Compositor at St. Luke's Printing Works: age 69 years: Service 33 years: Scale Pension £126:9:4 a year from the 15th September inclusive.

(2) That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to three persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

Wednesday, the 28th August 1935

Present -

The Deputy Governor
Mr. Hanbury
Lord Hymetley
Mr. Callaway

The draft Minutes of the last Meeting were read and agreed.

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

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

The following were submitted -

- (a) Weekly reports on Central Banks
- (b) Half-yearly Report on the non-clerical Staff.

It was agreed to recommend to the Court of Directors -

(a) That a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund

28th August 1935

to Union Roberts, an Auxiliary Male Clerk age 65 years: service 16 years: £114 a year from the 6th September next inclusive.

(b) That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to three persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21st February 1935.

(c) That Mr. Goschen be granted permission to visit the Bristol and Plymouth Branches in the room of the late Sir Basil Blackett.

HE 75
ET 50-04

The Deputy Governor informed the Committee that the estimated profits for the half year ending the 21st August 1935, after deducting all charges (including Income Tax) and providing for a dividend of $\frac{1}{2}$ per cent, amount to £605,000.

It was decided to deal with this surplus as follows, namely :-

- (a) To writing off the amount expended on mechanisation equipment £ 16,000
 - (b) To writing down the cost of the Bank's holding of shares of the Bank for International Settlements. £ 115,000
 - (c) To Suspense Account: Reserve for Pensions £ 474,000
- £ 605,000

ET 172

The Deputy Governor submitted a letter of the 7th August from the Secretary of the Industrial Development Council of South Wales and Monmouthshire Ltd, asking the Bank to nominate a representative of the banking industry to act as an adjudicator in regard to the offer of a prize of £1,000 for practical suggestions for permanently and substantially reducing unemployment in South Wales and Monmouthshire. The letter stated that Sir William Beveridge and Sir Horace Wilson were also being asked to act in a similar capacity.

The Deputy Governor said that he had ascertained that Sir Horace Wilson felt it to be impossible for him or for any Civil Servant to accept the invitation.

After discussion it was agreed that the Bank should inform the Secretary of the Council that, while in the fullest sympathy with the objects the scheme was designed to achieve, they were unable for reasons of principle to comply with his request.

