

COMMITTEE OF TREASURY

MINUTE BOOK

56



Members of the  
Committee of Treasury  
for the year 1935/6.  
(Elected 28<sup>th</sup> March  
1935.)

The Governor

The Deputy Governor

Mr. Brinfield (created Lord Brinfield May 1935.)

Sir Josiah Stamp

Mr. Hambro

Sir Andrew Duncan

Sir Edward Peacock

Lord Hymondley of Meads

Mr. Cattermole

Wednesday, 4<sup>th</sup> September 1935.

Present:

The Deputy Governor

Mr. Hambro

Sir Andrew Duncan

Mr. Cattermole

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 of the Committee on the Permanent  
Control of Expenditure.

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 to—

H.C. Bolton, Senior Woman Clerk: age 46 years, service  
20 years: £119 a year from the 1<sup>st</sup>  
October next inclusive.

6<sup>th</sup> September 1935

(b) That an allowance of £40 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 1<sup>st</sup> Class Clerk at the Birmingham Branch, from the 19<sup>th</sup> October 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 21<sup>st</sup> February 1935.

(d) That no applications for permission to retire under the terms contained in Appendix A, B or C of the Special Committee's Interim Report which was adopted by the Court of the 21<sup>st</sup> February 1935 be considered after the 30<sup>th</sup> September 1935 and that applications under the terms contained in Appendix D be considered up to that date and thereafter until the Bank may see fit to close the list of applicants with or without further notice.

Wednesday, 11<sup>th</sup> September 1935

Present

The Deputy Governor  
Sir Edward Peacock  
Mr. Cattermole

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 alterations be recommended in the Bank Rate.

The Weekly Reports on Central Banks were submitted.

A Report of the Committee on St. Luke's on the system of recruitment of the Staff of the Printing Section at St. Luke's Printing Works was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors -

(1) That permission be granted to the



11<sup>th</sup> September 1925

to open an account in the Drawing Office.

(2) That an allowance of £51 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 1<sup>st</sup> Class Clerk in the Drawing Office, from the 19<sup>th</sup> August last inclusive.

(3) That special pensions be granted under the provisions of the Trust Deed of the Superannuation Fund to three pensioners under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21<sup>st</sup> February 1925.

The half-yearly accounts of J. L. & Co. Printing Works and of the Works Department were submitted and referred to the Court of Directors.

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-yearly dividend of interest and profits be made on the 5<sup>th</sup> October next of 4 1/2 per cent. less Income Tax.

Wednesday, 16<sup>th</sup> September 1925.

Present:-

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

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 August.



15<sup>th</sup> September 1935

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 four persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21<sup>st</sup> February 1935.

2. That an allowance of £13 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 ParLOUR Messenger, from the 1<sup>st</sup> September inclusive.

The Governor acquainted the Committee of the following matters—

~~1710~~  
CT. 50-01

1. He referred to the Bank's holdings of Foreign Government Securities taken at the time of issue, in pursuance of the policy of assisting the reconstruction of Eastern Europe. He thought that these holdings might be disposed of as and when possible with notice to the respective Issuing Houses. The Committee concurred.

~~1712~~  
CT. 122

2. Anglo-South American Bank. With reference to Minutes of the 3<sup>rd</sup> July and earlier, he said that when in Ottawa he had discussed with the Governor of the Bank of Canada the possibility of making an arrangement with the Royal Bank of Canada to take over the business of the Anglo-South American Bank, but there would appear to be no likelihood in present circumstances of the Royal Bank of Canada being willing to enter into any such arrangement. The Governor asked the Committee to consider the following alternatives, viz:—  
(a) An arrangement with the Royal Bank of Canada;  
(b) The appointment as successor to Sir Brian Hornsby of a foreigner of the competence of Mr Moreno who, as reported to the Committee in April 1934, had been unable to obtain release from his other duties;  
(c) An amalgamation with the Bank of London and South America.  
Either of the first two would probably involve a contribution by the Bank: the third would be most unwelcome in principle.

~~1716~~  
CT. 55

3. He referred to a letter received from Mr J. S. Amery, C.B., asking him to consider the name of Lord Kinnaird when the time came to nominate a successor to the late Sir Basil Blackett on the Iraq Currency Board.

18<sup>th</sup> September 1935.

Currency Board. The Committee agreed with the Governor's suggestion that if such a request should be received from the Iraq Government, a man with the experience of for example Mr. Dunbar or Mr. George Rainy would be a more suitable nominee.

~~L245~~  
CT 70.03

4. With reference to the Minutes of the 3<sup>rd</sup> July regarding impending vacancies on the Court, he submitted a further name for the consideration of the Committee.

The Governor also read a letter from Mr. A. Wigglesworth expressing his willingness to serve on the Court: the Committee agreed that no reply other than the formal acknowledgment already sent was necessary.

~~L245~~  
CT 134

5. 2. Muth and Co. He read the Minute of the 1<sup>st</sup> May and said that the position of the Firm was now such that some form of liquidation in the not ~~too~~ far distant future must be faced. This would mean that as a matter of policy the Bank must assume responsibility for the liabilities and might appoint someone to conduct a gradual orderly realization of the assets: the Governor mentioned in this connection the name of Mr. Mely. An estimated commitment of £1,500,000 with a probable resultant loss of, say, £500,000 would thus be involved.

The Committee agreed that this was the best and only course possible.

~~L245~~  
Office File PS2

6. With reference to a Minute of the 3<sup>rd</sup> April and earlier, he read a memorandum of an interview with Sir Peter Bann in July last and asked the Committee to consider the possibility of his services being utilised on the Directorate of, for example, a good oil company.

~~L245~~  
CT 119.

7. He said that, with the Committee's approval, he proposed to spend £500 on the preparations of a telegraphic code for the use of the Dominion Central Banks for communications between themselves and with the Bank.

~~L245~~  
N/E.

8. With reference to Minutes of the 10<sup>th</sup> April and earlier, he said that Mr. Serpinann would be succeeded in his work in connection with Central Banking in ~~Eastern~~ Europe by Mr. Gunston, who has lately been engaged on work for the

18<sup>th</sup> September 1935 League Loans Committee.

~~17.12~~  
CT 144

9. He outlined the impressions of the conditions in Canada and the United States of America received during his recent visit to North America.

Mr. Holland-Martin attended the Committee and submitted his report on the progress of mechanisation during the past half year.

Wednesday, 25<sup>th</sup> September 1935

Present:

The Governor  
The Deputy Governor  
Sir Josiah Stamp  
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.

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 six persons under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21<sup>st</sup> February 1935.

The Governor acquainted the Committee of the following matters -

~~17.12~~  
SEC. 10

1. He said the Treasury had asked if it were possible to borrow a number of the Bank's Staff to assist in their foreign business during the next few months, their available personnel being seriously depleted owing to absences abroad. The Governor said that, quite apart from the present shortage here of men with the necessary qualifications and experience, he was opposed in principle to such a course. Nevertheless he was anxious to avoid any suggestion of lack of co-operation. He was prepared for the Bank of England to staff the banking side of any



LC 34  
CT 138

QT 44

~~103 Box~~  
Office File

ET 20

ET. 35

b. In pursuance of the policy of keeping in close touch with Dominion Central Banks he was anxious to send someone this winter to New Zealand to make, in particular, a study of economic questions for the Governor of the Reserve Bank. The only person he had in view at the moment was Mr. Haywood.

25<sup>th</sup> September 1925~~10055~~

CT. 4-01

7.

With reference to

Minutes of the 11<sup>th</sup> August and earlier he said that application had been made to continue the facilities for the special advance of £1,000,000 granted in June, beyond the 1<sup>st</sup> October next. He read his cables of the 20<sup>th</sup> and 24<sup>th</sup> September to [redacted] in response to which a definite obligation of complete repayment over October, November and December had been assumed, the objective being repayment of £1,000,000 in October, £1,500,000 in November and the balance during December. The Governor read [redacted] cable of the 25<sup>th</sup> September regarding the future exchange position.

~~1032~~

CT. 122

8. Anglo-South American Bank.

With reference to

Minutes of the 13<sup>th</sup> September and earlier, he said the difficulties of the position were increasing. Any arrangement with the Royal Bank of Canada was now out of the question and Sir Bertram Hornsby's unofficial negotiations with the Bank of London and South America had reached a stage at which he had been asked to disclose the detailed position of the Anglo-South American Bank. Obviously this could not be done without the consent of the "Pool", a Meeting of which had been held on the 24<sup>th</sup> September when Sir Bertram Hornsby and Mr. Head of Seligman attended. The position was fully explained to the Meeting in the strictest confidence and it was unanimously agreed that Sir Bertram Hornsby and Mr. Head be authorised to give all information and to continue negotiations with Mr. Pease and the Bank of London and South America on the basis that -

- (a) the guarantee of £7,500,000 and interest is ignored.
- (b) a call on the 'A' shares of the Anglo-South American Bank is undesirable, and
- (c) the 'Pool' will be content with whatever can be got out of the Nitrate Accounts and the £1,000,000 Preference Share Capital of the Anglo-South American Bank.

~~1045~~

CT 70-03

9.

With reference to Minutes of the 18<sup>th</sup> September and earlier regarding vacancies on the Court, he submitted a further name for the Committee's consideration.

~~1047~~

CT. 57-01

10.

He asked the Committee to allow the Bank, when the time arrived, to contribute a sum of £200 to the City's Wedding Gift to the Duke of Gloucester. He proposed to approach the clearing banks regarding their subscriptions.



Wednesday, the 2<sup>nd</sup> October 1935.

Present:-

The Governor  
Sir Josiah Stamp.  
Sir Andrew Duncan  
Lord Hymnaby

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 alterations be recommended in the Bank Rate.

The following were submitted -

- (1) Weekly Reports on Central Banks.
- (2) Fortnightly Letter to Dominion Central Banks.

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

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 -

J. J. Roberts, an Auxiliary Woman Clerk: age 50 years on the 6<sup>th</sup> October next: service 16 years: £66 a year from the 1<sup>st</sup> October next inclusive.

J. E. Innes, an Auxiliary Woman Clerk: age 50 years on the 17<sup>th</sup> October next: service 17 years: £68 a year from the 18<sup>th</sup> October next inclusive.

A. S. Thomas (Mrs), an Auxiliary Woman Clerk: age 50 years on the 21<sup>st</sup> October next: service 16 years: £66 a year from the 22<sup>nd</sup> October next inclusive.

Ephraim Bird, Senior Messenger to the Branch Banks Office: age 65 years on the 20<sup>th</sup> October next: service 38 years: £156:3- a year from the 21<sup>st</sup> October next inclusive.

J. E. Robshaw, a House Porter and Watchman at the Leeds Branch: age 65 years on the 23<sup>rd</sup> October next: service 16 years: £83:12- a year from the 24<sup>th</sup> October next inclusive.



2<sup>nd</sup> October 1935

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

With reference to Minutes of the 25<sup>th</sup> September and earlier regarding impending vacancies on the Court, the Governor again submitted a list of names of candidates for consideration.

The question was raised as to the Bank's requirements regarding the nationality of candidates for the Court and for the Staff, and it was agreed to refer the matter to the Chairman of the Staff Committee with a view to the consideration of regulations applicable to all cases.

1.2.45  
CT 70.03.

1.7.44  
Office File  
P172.02

Wednesday, the 9<sup>th</sup> October 1935

Present -

The Governor  
Lord S. Just.  
Sir Josiah Stamp.  
Mr. Hambro  
Sir Andrew Duncan  
Lord Hymond

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

The Weekly Statement of Discounts and Advances granted to Bill Brooks, 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 of Directors -

(1) 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 21<sup>st</sup> February 1935.

(2) That a donation of £250 be made to the Fund which is being raised at the Mansion House for a wedding gift to H.R.H. The Duke of Gloucester.

15.11.35  
CT 57.01

The Governor acquainted the Committee of the following matters -

(1) With

9<sup>th</sup> October 1925.

~~10/75~~  
CT 70.03

(1) With reference to Minutes of the 2<sup>nd</sup> October and earlier regarding impending vacancies on the Court, he again submitted a list of names of candidates for consideration.

~~10/77~~  
Office File P72.01

(2) With reference to Minutes of the 2<sup>nd</sup> October regarding the nationality of candidates for the Court and for the Staff, he submitted a note suggesting regulations for general application. The note was accepted provisionally as affording a basis for the drafting of regulations to be brought before the Committee at their next Meeting.

~~15/76~~  
CT 192.02

(3) He read the Minute of the 21<sup>st</sup> February regarding the remuneration suggested to Mr. Walter Taylor in agreement with the Treasury for the work which it was hoped Mr. Taylor would have been able to perform in connection with the affairs of the International Paper and Paper Company of Newfoundland. For reasons which had been reported to the Committee the suggested arrangement was not implemented. The Governor said that last week he had similarly offered Mr. Taylor a sum of £4000 a year for three years in return for which he would make the newspaper industry and, in particular, the Newfoundland Paper and Paper Company, his first concern at all times, with frequent visits to America. Mr. Taylor had since written to say that he preferred not to tie himself until he had again visited America. Thus the matter remains in abeyance for the present.

~~16/76~~  
CT 55

(4) With reference to Minutes of the 18<sup>th</sup> September, he said a request had now been received from the Iraq Government to nominate a successor to the late Sir Basil Blackett on the Iraq Currency Board. Having taken advice he proposes to nominate Mr. G. J. Bunbury and to inform the Chairman of the Board accordingly.

~~17/75~~  
CT 113.03

(5) He said, speaking with great reserve, that the Bank had been approached by one of the Directors of the late Sir Alexander Kleinwort and by a representative of the present partners of Kleinworts for an opinion as to what provisions should be made in respect of the firm's Standstill commitments in Germany, Austria and Hungary.

It had been explained that the Bank could not advise on such a question but Sir O. E. Niermeyer, at the Governor's

9<sup>th</sup> October 1935

request, had, with the background of Basle and Geneva, given his private unofficial opinion on the understanding that he was to be quoted to no-one other than the partners and that his views were not to be conveyed to the Inland Revenue Authorities.

Wednesday, the 16<sup>th</sup> October 1935

Present -

The Governor  
Lord S. Just.  
Mr Hambro  
Sir Andrew Duncan  
Lord Hymudley  
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.

Committee on Advances and Discounts -

- (a) The Report on the Discount business of the Bank for the month of September was submitted.
- (b) Consideration of the Report relative to the position of Directors' Terms was deferred until next week.

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 to H.W. Hilson, a Permanent Woman Clerk - age 50 years; service 10 years; £29 a year from the 29<sup>th</sup> October 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 21<sup>st</sup> February 1935.

Nationality of Candidates for the Election and for

the Staff.

It was agreed that draft Regulations in the form submitted to the



16<sup>th</sup> October 1935

to the Committee be referred to the Staff Committee and to the Committee on Juries for consideration in consultation with Messrs Freshfields. It was further agreed that when the Regulations are finally adopted similar Regulations to those applicable to candidates in the second category be recommended to the Court as applicable to candidates for the Division.

The Governor acquainted the Committee of the following matters -

~~1045~~  
CT 70 03

1. With reference to Minutes of the 9<sup>th</sup> October and earlier, he again submitted a list of names of candidates for consideration and explained that the name of one candidate had been deleted in consequence of his business ties rendering it impossible for him to come to London regularly.

~~1020~~  
CT 4 01

2. Commonwealth Bank of Australia. With reference to the appointment by the Federal Government of a Royal Commission on Banking, he said that Sir Claude Airding had written to Sir O.B. Niermeyer asking his opinion in regard to the framing of a Charter for a Central Bank for Australia having special regard to the three component parts of the present Institution, viz.,

- (a) a Central Bank;
- (b) a Trading Bank;
- (c) a Savings Bank;

Sir O.B. Niermeyer's reply of the 8<sup>th</sup> October dealing with the principles involved was read and the Governor said it was intended that further letters be sent regarding -

- (i) the policy to be adopted vis-a-vis the Commission;
- (ii) the question of bringing before the Commission the unsatisfactory position arising from the fact that the capital of the Commonwealth Bank belongs to the Federal Government who themselves guarantee every transaction.

~~1077~~  
SEC. 6

3. He said that two months ago Mr H.J. Bruce, the Adviser to the National Bank of Hungary, who was appointed by the League but was in fact a nominee of the Bank, had been taken seriously ill and, though recovering, a thorough holiday was necessary. He proposes therefore with the authority of the Committee to make Mr Bruce a grant of, say, from £500 to £1000 to cover the expenses incurred.

16<sup>th</sup> October 1925

The Governor informed the Committee that no question of particular interest had arisen during the October Meeting of the Board of the Bank for International Settlements.

Wednesday, the 23<sup>rd</sup> October 1925.

Present-

The Governor  
Lord S. Just  
Sir Josiah Stamp  
H. Hambro.  
Sir Andrew Duncan  
Sir Edmund Leacock  
Lord Hyndley. ~~1027~~

CT84  
+ CT84.01  
CT95

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.

With reference to the further additions to the Gold held in the Issue Department, the Governor said that consideration was being given to the position when Christmas currency demands had to be met: to avoid a possible increase in the Fiduciary Issue at that time an increase was being effected in the Gold holding now.

He referred to a possibility of a revaluation of the Gold in the Spring of next year.

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

The Weekly Reports on Central Banks were submitted.

Committee on Advances and Discounts.

~~1027~~  
CT113.01

With reference to Minutes of the 16<sup>th</sup> October and earlier, the Committee had before them a Report of the Committee on Advances and Discounts relative to the position of "Directors' Firms" in which is expressed the opinion that the according of any special treatment to such Firms is undesirable.

The Committee endorsed this opinion and agreed to recommend to the Court of Directors that special treatment be no longer accorded to "Directors' Firms" and that in consequence Paragraph 3 of the Resolution of the Court of Directors of the 25<sup>th</sup> February 1891, namely-

"That the amount of credit, usually affixed to Parties having  
"Discount accounts, be omitted in the case of Bank Directors,  
"or the Firms in which they are Partners"

be recommended.

It was agreed to recommend to the Court of Directors -

(a) That a provision be granted during pleasure and in

accordance

23<sup>rd</sup> October 1935

accordance with the scale to -

G. M. M. Harris, a Laver at S. Lukis Printing Works: age 60 years;  
 Service 22 years: scale pension £45.10% a year  
 from the 30<sup>th</sup> November next inclusive.

(b) 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 21<sup>st</sup> February 1935.

The Governor acquainted the Committee of the following matters -

~~14078 (2)~~  
 CT 100

(1) Bank for International Settlements, Article 10.

He read a Minute of the 11<sup>th</sup> March 1931 as to the immunities for the B.I.S. and said that His Majesty's Government had agreed to adhere to the revised draft Protocol if all other Governments did the same. The last of the other signatory Governments to stand out was the German Government which has now made a unilateral declaration which is considered satisfactory to the B.I.S. The Governor read his letter of the 17<sup>th</sup> October to the Treasury suggesting that the conditions precedent to agreement by His Majesty's Government might be regarded as now having been fulfilled.

~~14716~~  
 CT 191

(2) He referred to the position of the London Tin Corporation and the Anglo-Oriental Mining Corporation, both of which had suffered from their connection with Mr. Houston.

During the past six months progress has been made but much remains to be done and those who hold the control wished him to recommend some disinterested person to act as Chairman of both Companies.

He proposes to recommend Mr. E. J. Bunbury at a nominal fee for a period of, say, 2 years.

~~14716~~  
 CT 39  
 + CT 39.02.

(3) With reference to the Minute of the 12<sup>th</sup> June regarding the mission of Sir Frederick Leith-Ross to China, suggestions were being put forward for a scheme of currency readjustment based on sterling.

As in these circumstances the position of Chinese bondholders had to be considered he had in view the formation of



23<sup>rd</sup> October 1935

a Committee consisting of representatives of, say, the Insurance Companies, the Hongkong and Shanghai Banking Corporation and the Council of Foreign Bondholders with Lord Alness as Chairman if his services could be secured.

The question of the expenses of such a Committee presented difficulties which might be solved by the Bank and the Hongkong and Shanghai Banking Corporation agreeing each to advance one-half of the sums necessary with the hope of recovering later.

174  
CT. 24.

(4) He said that following on the report of a local Commission, the Ceylon Government had put forward their proposals for the establishment of a state-aided Bank in Ceylon with a capital most of which would be supplied by the Government. The Secretary of State for the Colonies has established a small but unsatisfactory Committee to examine these proposals in detail.

The Governor had received a letter from the Colonial Office asking if he would consider the appointment of a representative of the Bank to the Committee. In agreement with the Treasury he has, on behalf of the Bank, so far, declined the invitation.

175  
CT. 15.01

(5) He submitted a note of the 21<sup>st</sup> October outlining proposals for co-ordination of borrowing on the London Market by Municipalities, Harbour Boards and other Public Bodies in the Dominions. In agreement with the Treasury and the Dominions Office he proposes to submit this note to the Dominion High Commissioners with a request that they approach their respective Governments in order that the necessary action may be taken. He is also communicating with each of the Central Banks concerned.

179  
CT. 172

(6) He said that pressure was being brought to bear upon the Government by the Commissioner for Special Areas in England and South Wales and the Industrial Development Councils of the South Wales and of the Durham and Tyne-side areas for the provision of medium-term credits for financing small industries. This was not a field where Credit for Industry Ltd. could operate with any prospect of success. He has arranged to discuss the question again with the Chancellor who is hopeful that the demand may be met in one way or another, perhaps with a partial guarantee.

CT. 70.00

180

(7) With reference to Minutes of the 16<sup>th</sup> October and earlier regarding impending vacancies on the Court, he again submitted a list of names of candidates for consideration.

Present-

The Governor  
 The Deputy Governor  
 Lord S. Just  
 Sir Josiah Stamp.  
 Mr Hambro  
 Sir Edward Peacock  
 Lord Hyndley.

Wednesday, the 30<sup>th</sup> October 1935

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 following were submitted -

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

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

(1) Staff Committee

- (a) Minute recommending appointments, etc.
- (b) Quarterly Report on the Accountants', Cashier's and Secretary's Departments, etc. and on payments made during the quarter, etc.
- (2) Minute of the Committee on St. Luke's recommending an appointment.
- (3) Quarterly Report of the Committee to consider the Securities of certain Funds.
- (4) Quarterly Report of the Audit Committee.

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 21<sup>st</sup> February 1935.
2. That a donation be made in response to an appeal on behalf of Morley College.

The Governor said that last week he had referred to the present policy of increasing the gold in the Issue Department and

30<sup>th</sup> October 1935

to the possible revaluation of the gold holding in the Spring. There were other matters in regard to which he hoped progress might be made in the near future, viz -

~~1546~~  
CT 168

### 1. Council of Foreign Bondholders

He referred to the Minute of the 9<sup>th</sup> March 1926 and said there may shortly be two vacancies on the Council, the first of which he would like to see filled by Sir O.E. Nimmiger. As to the second he hoped with the Committee's assistance to find someone acceptable to all concerned, whose appointment as President might be arranged with a salary up to £5000 a year paid by the Bank. He should be able to give the whole or the major part of his time to the work which would involve some reorganisation of the Council's methods bearing in mind the possibility of ultimate amalgamation with the League Loans Committee.

~~1547~~  
CT 167

The Committee concurred.

~~1547~~  
CT 115  
CT 115-02

### 2. He wished to see the establishment in the City of a Committee to advise the Chancellor regarding the application of the so-called "binbergo".

~~1548~~  
CT 85

### 3. The Stock Exchange

He said that, in order to remove as far as possible any grounds for allegations of abuse of monopoly, reform was desirable in the following respects -

- (a) Satisfactory <sup>measures</sup> ~~methods~~ to be taken as the result of the Committee's present inquiry into the subject of "introductions" or "placings".
- (b) The publication of weekly or monthly statements of all borrowing by members for the purpose of "carrying" securities.

With the same object the question of Saturday opening should be fully reconsidered.

CT 90 ~~1549~~

4. He referred to the apparent opposition to admittance of the District Bank to the London Bankers' Clearing House. The Committee could see no justification for the exclusion of the one remaining English Bank of importance which is not already a member.

CT 89. ~~1550~~

5. He said that "Mining Lane" had not recovered from the events of last Winter and the Produce Brokers are inadequately organised if not discredited; he proposes therefore, in collaboration with the Chairman of the Baltic, to attempt in one way or another to introduce order where confusion now prevails.

The Governor



30<sup>th</sup> October 1935.

The Governor acquainted the Committee of the following matters -

~~156~~  
CT 39.02.

(1) With reference to Minutes of the 23<sup>rd</sup> October, he read the draft of a notice, which he proposes to publish in the near future, regarding the formation and constitution of a Chinese Bondholders' Committee.

~~157~~  
CT 85

(2) He submitted correspondence regarding the willingness of the Research Organisations of the Government to assist in obtaining Reports on the scientific merits of methods or substances for the development of which it might be proposed to make public issues.

In pursuance of an Order of Court of the 13<sup>th</sup> October 1932, the Committee considered the question of the selection of Governors for the ensuing year and they agreed to recommend to the Court that the Right Honourable Montagu Elliot Norman, D.S.O., and Basil Sage Callins, Esq., be invited to allow their names to be submitted to the Proprietors in April next for selection to the Offices of Governor and Deputy Governor respectively.

#### Present -

The Governor  
The Deputy Governor.  
Sir Josiah Stamp  
Mr Hambro  
Sir Edward Peacock  
Lord Hyndley  
Mr Callins

Wednesday, the 6<sup>th</sup> November 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 Weekly Reports on Central Banks were submitted.

A Minute of the Committee on St. Luke's regarding the date of the annual review of salaries of the Male Administrative Staff of the Secretary and Accountants' Office and the Printing Section at St. Luke's was submitted and referred to the Court of Directors.

6<sup>th</sup> November 1935

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

- K. V. Clark, an Auxiliary Woman Clerk: age 50 years on the 24<sup>th</sup> November next: service 16 years: £64 a year from the 25<sup>th</sup> November next inclusive.
- W. M. Hockaday, an Auxiliary Woman Clerk: age 49 years on the 8<sup>th</sup> June last: service 16 years: £72.12.6 a year: as an exception from the 1<sup>st</sup> December next inclusive.
- W. J. Caplin, a House Porter and Watchman: age 63 years: service 26 years: £148 8 8 a year from the 1<sup>st</sup> February next inclusive.

The Governor acquainted the Committee of the following matters -

~~LC 37~~  
CT 171

(1) The Joint Committee of Cotton Trade Organisations

He said a letter from the Hon. Treasurer asking the Bank's support for the Organisation had been passed to the Securities Management Trust who had agreed to contribute £250 a year for the next three years.

~~LC 46~~  
CT 168

(2) Council of Foreign Bondholders

With reference to Minutes of the 30<sup>th</sup> October and earlier he said that Sir D. B. Normington had been elected to the Council and the position had now to be considered in view of the eventual retirement of the President.

Though he could not at this stage make any definite reference to the vacancy or indeed to the Council he proposed with the concurrence of the President and of the Committee to ascertain, before Lord Desborough is committed in other directions, whether he would be willing to undertake work of this nature.

~~LC 37~~  
Office File P30

(3) National Savings Movement

He said that Mr. Gray had agreed to address the Annual Meeting in February of the City of Westminster Savings Committee.

(4) He said that with the object of keeping in touch with Dominion Central Banks it had been decided as an experiment that every week or so personal and non-committal letters would be written as follows -

6<sup>th</sup> November 1935

CT 36 ~~1877~~  
~~1876~~  
 CT 37.01 ~~1877~~  
 CT 119.01 ~~1878~~  
 CT 35 ~~1879~~

as follows-

To South Africa (Mr Postmus) by Mr Jackson.

To Canada (Mr Jours) )

To India (Sir Osborne Smith) by Mr Bunting.

During to Mr Kershaw's absence and the probable visit of a representative of the Bank to Mr Lefraux, it was agreed that the consideration of the despatch of such letters to Australia and New Zealand is deferred.

~~1877~~

CT 44

(5) He said that Mr Callens proposes to visit New York towards the end of this month and hopes thereby to establish contacts which may prove of great value.

Wednesday, the 13<sup>th</sup> November 1935Present—

The Governor  
 The Deputy Governor  
 Sir Josiah Stamp  
 Mr Manby  
 Sir Andrew Duncan  
 Sir Edward Pearce  
 Lord Hyndley  
 Mr Callens

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 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 a special pension be granted to one person under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21<sup>st</sup> February 1935.

~~1877~~  
 CT 95.06

With reference to the Minute of the 10<sup>th</sup> July the Governor said that Mr E. B. Dutt was still making claims in regard to his alleged discovery of a process for the production of synthetic gold and it was desired, if possible, to settle these pretensions once and for all.

Sir Frank Smith has now reported that the process is at a stage when investigation could be more easily undertaken and



13<sup>th</sup> November 1935 has recommended Professor Andrade as an admirable man for the task.

The Governor proposes, therefore, in agreement with the Treasury and with the Committee's concurrence, to arrange for Professor Andrade to go to Switzerland to investigate proceedings in M<sup>r</sup> Dutt's laboratory, the Bank to pay him a fee of £250 and to defray his out-of-pocket expenses. When the Bank shall have received Professor Andrade's answers to a questionnaire which is being drawn up Monsieur Jannay and M<sup>r</sup> Trift will be informed of the result.

### Bank

The Governor said that no business of particular interest had been transacted at the November Meeting of the Board of the Bank for International Settlements. He wished, however, to acquaint the Committee of the following matters -

- (1) The President was giving close attention to the financial position of the Bank for International Settlements, both from the balance sheet and dividend earning aspects.

The following points had to be considered -

- (a) The provision of a reserve in respect of the German and Hungarian assets.
- (b) The long-term deposits.
- (c) The wisdom of continuing under present conditions to pay the cumulative dividend of 6% required by Article 53 of the Statutes, any amendment of which must be sanctioned by Swiss Law enacted in agreement with the other signatory Powers. The dividend might have to be reduced or even passed next Spring.

In this connection the Governor said that the question of an offer being made by the Federal Banks of France and Belgium for the purchase of shares of the French and Belgian issues now held outside those Institutions had also arisen.

- (2) With reference to Minutes of the 19<sup>th</sup> June and earlier he said the President had been informed that there was no likelihood of any appointment of American Directors on the Board of the B.I.S. until after the new Federal Reserve Board comes into being in February next.

- (3) M<sup>r</sup> H.H. Cochran, 1<sup>st</sup> Secretary of the American Embassy in Paris had expressed a wish to discuss various questions with him in London as these must concern primarily the Treasury, he had

invited

CT 100.02  
CT 100.05 ~~1878~~  
(25)  
(21)

~~1878~~  
CT 100.01 (22)

~~1878~~  
CT. 44 (24)

13<sup>th</sup> November 1935

CT 81

CT 45

- CT 16

~~LB 77~~  
~~(10)~~

invited Mr Cochran to come to the Bank and meet Sir Frederick Phillips.

#### (4) The Sterling Area

It referred to the possibility of Germany, China and Japan attaching themselves to the Sterling bloc and to the increased responsibility which would thereby devolve upon this country in regard to the maintenance of the sterling position. The Governor asked the Committee to consider whether, owing to any such widening of the area, it would be proper to set up a special reserve fund and in what manner this could be done.

~~LB 75~~

CT 70 03

#### Candidates for the Director

With reference to Minutes of the 23<sup>rd</sup> October and earlier regarding impending vacancies on the Court, the list of names of Candidates was again considered.

#### Present-

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

Wednesday, the 20<sup>th</sup> November 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 -

- (1) Weekly Reports on Central Banks.
- (2) The Draft Minutes of the November Meeting of the Board of the B.I.S.
- (3) Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of October, and on special Advances, etc.

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

It was agreed to recommend to the Court of

20<sup>th</sup> November 1935

Directors that, in response to an appeal from the Dean of St. Paul's, a donation of £10 be made towards the cost of the permanent installation for floodlighting the Cathedral.

~~HE 45~~  
CT 70-03

### Candidates for the Direction

Such reference to Minutes of the 17<sup>th</sup> November and earlier regarding impending vacancies on the Court, the list of names of Candidates was again considered.

### Present -

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

Wednesday, the 27<sup>th</sup> November 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 Hall.

The following were submitted -

1. Weekly Reports on General Banks
2. Fortnightly Letter to Dominion Central Banks

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 21<sup>st</sup> February 1935.

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

CT 27 ~~HE 45~~

CT 72-02 ~~HE 64~~

It was agreed to recommend to the Court of Directors that in Christmas week the Court should meet at 11.30 a.m. on Tuesday, the 26<sup>th</sup> December, and it was further agreed that if this proposal be approved the Committee of Treasury should meet on the same day at 11 a.m.

The Governor acquainted the Committee of the following matters -

1. He said that in agreement with the Foreign Office a representative

CT 30 ~~TE 88~~



27<sup>th</sup> November 1935

a representation of the Bank had been sent to Rome to settle certain technical details in connection with the proposal for the continued working of the machinery set up under the Anglo-Italian Payments Agreement of the 27<sup>th</sup> April 1935.

+ J 22

CT 40

(2) He read his letter of the 26<sup>th</sup> November written in accordance with the arrangements made with the Treasury, to the Governor of the Bank of France stating that His Majesty's Government had given their assurance that Gold held here in the name of the Bank of France will at all times and in all circumstances be free to be exported. A letter in similar terms had been received from M. Lannery as to an assurance given by the French Government regarding Gold held at the Bank of France in the name of the Bank of England.

HE 50

CT 183

(3) He said that the Committee of the London Iron and Steel Exchange had invited Mr Bruce Gardner to act as Chairman for the ensuing year. He proposes, with the Committee's concurrence, to tell Mr Bruce Gardner that the Bank are agreeable to his accepting the post.

HE 45

CT 70 03

(4) With reference to Minutes of the 20<sup>th</sup> November and earlier regarding impending vacancies on the Court, the list of names of candidates for the Election was again considered.

Wednesday, the 4<sup>th</sup> December 1935

Present:-

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

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.

It was agreed to recommend to the Court of Directors -

(1) That a special fund be granted under the

14<sup>th</sup> December 1935.

provisions of the Trust Deed of the Superannuation <sup>Fund</sup> under the terms contained in the Special Committee's Interim Report which was adopted by the Court of the 21<sup>st</sup> February 1935.

(2) 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 -

Joseph McCune,	an Auxiliary Male Clerk; age 65 years on the 22 <sup>nd</sup> December next: £171 a year from the 24 <sup>th</sup> December next inclusive.
Adam Smith,	an Auxiliary Male Clerk: age 65 years on the 25 <sup>th</sup> December next: £171 a year from the 26 <sup>th</sup> December next inclusive.
Doris Noel Legg,	a Permanent Women Clerk: age 50 years on the 14 <sup>th</sup> December next: £98 a year from the 15 <sup>th</sup> December inclusive.
Mabel Harvey,	an Auxiliary Woman Clerk: age 50 years on the 31 <sup>st</sup> December next: service 16 years: £64 a year from the 1 <sup>st</sup> January 1936 inclusive.

(3) That a donation of £100 be made to the Society of Friends in connection with their Allotment Scheme for the unemployed.

The Governor acquainted the Committee of the following matters -

CT 137 ~~137~~ 21

CT 60 01 (1348)

(1) He said that with the Committee's approval he wishes to comply with Mr Ashley Cooper's request for Mr Bumbury to join the Court of the Hudson's Bay Company. The necessary qualifying shares would be acquired and held by the Bank in the usual manner.

CT 191 ~~191~~ 16

CT 60 01 (1348)

(2) With reference to Minutes of the 23<sup>rd</sup> October 1935 he said that Mr Bumbury had now been appointed to the Board and Board Chairman of the London & Gen Corporation and of the Anglo-Oriental Mining Corporation. An announcement to this effect will be published on Saturday.

CT 168 ~~168~~ 26

### (3) Council of Foreign Bondholders

With reference to Minutes of the 6<sup>th</sup> November 1935 and earlier he said that he had arranged to meet Lord Bessborough in order to discuss the conditions under which he would be prepared to accept the Presidency of the Council. The Governor proposes to submit to Lord Bessborough

4<sup>th</sup> December 1925

to Lord Bessborough the points contained in the Minute of the 30<sup>th</sup> October adding that the President should refrain from accepting Directorships or other positions which may be held to conflict with the interests of the Council.

177  
CT 95.06

(4) With reference to the Minutes of the 13<sup>th</sup> November and earlier he read a note regarding the investigation of M<sup>r</sup> Dutt's claim to manufacture synthetic gold. Professor Andrade and Doctor Ellis were both satisfied not only that the claim cannot be substantiated but that it is a fraudulent one.

Copies of Professor Andrade's report will be sent in due course to the Treasury and to Sir Frank Smith.

172  
CT 173

(5) He said that he was in communication with the Treasury regarding proposals to raise money for the building of passenger ships for a regular cheap service between Southampton or Liverpool and New York. The Chancellor was considering what attitude should be adopted towards these proposals.

The Governor recalled M<sup>r</sup> Huxford's attempt towards the end of last year to acquire ships of the Red Star Line for a similar service.

174  
CT 45  
CT 93

(6) He said that Sir John Caulett, President of the Institute of Bankers had, at the invitation of the newly formed German Institute of Banking Research and Organisation, recently delivered an address in Berlin. The visit had proved perfectly successful and the President of the German Institute was returning the visit in the Spring.

The Committee welcomed this evidence of co-operation.

100  
CT 4.01

#### (7) Commonwealth Bank of Australia

With reference to Minutes of the 25<sup>th</sup> September and earlier, the Governor said that during the last few days he had received secret cables from the Chairman of the Commonwealth Bank of Australia pointing to a serious deterioration of the exchange position which would necessitate the taking of some definite steps in the course of the next few months. The position was being carefully studied.



4<sup>th</sup> December 1935  
 CT. 30 ~~1588~~

(8) Anglo-Italian Payments Agreement.

With reference to Minutes of the 29<sup>th</sup> November he said that although the recent visit to Rome of the Bank's representative had not as yet had time to yield any definite result there was every hope that the Italian Government and the Bank of Italy would in consequence of the visit decide upon the continued working of the agreement without change in principle.

CT. 35. ~~1589~~

(9) With reference to Minutes of the 6<sup>th</sup> November and earlier he said that in view of the political developments in New Zealand it had been agreed to cancel the proposed visit of Mr. Hynors to the Hon. Mr. Binn.

~~1590~~  
 CT. 122

(10) Anglo-South American Bank

He referred to the Minute of the 25<sup>th</sup> September outlining the basis upon which Sir Graham Hornby was authorised to continue negotiations with Mr. Pease and the Bank of London and South America. These negotiations had resulted only in an offer from the other side which could not be accepted and at the moment no way was apparent by which the differences could be reconciled.

It had been agreed to ask that an examination might be made in one manner or another of the figures upon which the offer was based with a view to continuing the negotiations. There were two other courses open -

- (1) The establishment of a Realisation Company for certain assets.
- (2) A call on the "A" Shares.

~~1591~~  
 CT. 180

(11) United Commercial Trust.

With reference to Minutes of the 10<sup>th</sup> July 1935 he said that agreement was being sought upon the following lines for the coming year -

- (1) An increase in the ordinary dividend from 15 to 17½%, to include in addition of 1% to the interim dividend.
- (2) The Shareholders to take over from the Bank 212,500 Preference Shares at par + accrued interest.
- (3) Announcement of a rebate in respect of certain business of a commercial class.
- (4) No more shares to be issued and no further increase in dividend so long as the Bank remain shareholders.

CT 113

(12) He laid before the Committee a Statement of the  
 Discount

12<sup>th</sup> December 1935

Discount Market's holdings of Treasury Bills and Commercial Bills  
as at the 16<sup>th</sup> November 1935.

~~1726~~

CT 154

(13) The Ionian Bank Ltd.

He said that the Chairman, Sir John Mordaunt, had asked him to suggest the names of suitable persons to fill vacancies on his Board which at present consisted of himself and Lord Ritchie of Dundee. The Governor referred to the uncertain position of the Bank, to the dividend policy, to the weak Board and to the need for assistance in some form.

~~1727~~

CT 172

(14) Special Areas

With reference to the Minute of the 23<sup>rd</sup> October he said that on behalf of the Chancellor and the Board of Trade he was planning a Company for the provision of credit for small industries in the Special Areas, where it was the intention to establish offices. Mr Gibson Jarrow and Mr de Starn were co-operating in this work.

It was expected that the Exchequer would be prepared to make a grant towards the necessarily heavy expenses which would be incurred by such a Company: a partial guarantee against losses might also be given.

~~1727~~Office File  
P185(15) Railways Development Finance

He said that as soon as the necessary powers had been obtained from Parliament it was proposed to form a Finance Company with a nominal share capital for the purpose of raising and lending to the four main line railway companies sums for development and improvement. The Bank of England had been requested to make arrangements for the formation of the Company and the Governor asked the Committee to consider names for the Directorate.

~~1728~~

CT 70 03

(16) With reference to Minutes of the 27<sup>th</sup> November and earlier regarding impending vacancies on the Board, the list of names of candidates for the Direction was again considered.

Wednesday, the 11<sup>th</sup> December 1935

Present -

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

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

The Weekly Statement of Discounts and Advances granted to Bill Brooks, 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 Letters to Dominion Central Banks

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

(1) 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 21<sup>st</sup> February 1935.

(2) A pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

H.A. G. Coulson, a 1<sup>st</sup> Class Clerk at the Newcastle Branch; age 64 years: service 45 years: £438 b.3 a year from the 6<sup>th</sup> March next inclusive.

(3) 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 a 1<sup>st</sup> Class Clerk in the Securities Office, from the 26<sup>th</sup> November last inclusive.

The Governor acquainted the Committee of the following matters -

(1) With reference to the Minute of the 6<sup>th</sup> November he read a cable from Mr Cattaneo sent from New York on the 5<sup>th</sup> December in which he mentioned an informal visit to Mr Beales in Washington; the Governor said that he had heard from Mr Hammett that such a visit seemed unavoidable as well as desirable.

(2) Bank for International Settlements.

He said that no business of particular interest had been transacted

CT100.05

75.78

(55)



11<sup>th</sup> December 1935

business transacted at the December Meeting of the Board.

He referred to the Minutes of the 12<sup>th</sup> November on which are set out points regarding the financial position of the B.I.S. which among others would be considered by the Governors in January next.

The internal expenses had also to be considered. This question was complicated owing to the national basis on which the organisation was built up.

1045  
OT 70-03

With reference to Minutes of the 4<sup>th</sup> December and earlier regarding impending vacancies on the Court, the list of names of Candidates for the Directors was again considered.

### Wednesday the 18<sup>th</sup> December 1935

#### Present -

The Governor  
The Deputy Governor  
Sir Josiah Stamp  
Mr Hambro  
Sir Andrew Duncan  
Sir Edward Pearce  
Lord Syndley

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 December Meeting of the Board of the Bank for International Settlements.
- (3) Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of November.

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

- (1) An allowance of £12 a year be granted under the provisions of the Trust Deed of the Superannuation Fund to Mrs Marion Brown, a cook in the Works Department - age 61 years: service 18 years.
- (2) An allowance of £60 <sup>a year</sup> 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 Cashier, from the 22<sup>nd</sup> September 1935.

18<sup>th</sup> December 1935Office File ~~727~~  
P185

With reference to the Minutes of the 16<sup>th</sup> December, it was agreed to recommend to the Court of Directors in due course that

Mr W. L. Whigham  
Sir Josiah Stamp  
Mr C. J. Hambro  
Mr B. Holland-Martin, and  
Mr H. O. Peppatt,

be requested to serve as Directors of the Finance Company to be formed in pursuance of Clause 3 of the Agreement set out in the Schedule to the Railways (Agreement) Bill now before Parliament.

The Governor acquainted the Committee of the following matters -

~~1629~~  
CT 180

1. With reference to the Minutes of the 16<sup>th</sup> December indicating the lines upon which agreement was being sought with the United Dominions Trust he laid before the Committee letters exchanged with Mr Jarvis who conveyed his Board's acceptance of the Bank's suggestions as to future dividend policy.

~~1454~~  
CT 4.01

2. Commonwealth Bank of Australia

With reference to the Minutes of the 16<sup>th</sup> December and earlier the future exchange position was still unsatisfactory. The Chairman of the Commonwealth Bank appeared unwilling and indeed unable to effect such contraction as would avert legislation and/or a crisis in the Spring.

~~75~~  
(1)  
CT 134

3. J. Ault and Co.

With reference to the Minutes of the 18<sup>th</sup> September and earlier, a Meeting with the partners had been held on the 8<sup>th</sup> October when it was decided that plans for the discontinuance of the business in one way or another should be evolved, and two partners together with Messrs Deodellas were appointed to discuss the method. It was ultimately decided to approach the British Overseas Bank who were willing in principle to undertake the liquidation of the Firm under the Bank's guarantee. The necessary draft agreements had been prepared but Mr König refused under one pretext or another to sign, although the Bank offered to share with the Firm the day to day deficiency. Now Mr König wishes to approach Barclays Bank to enquire whether they would be willing to take over the business.

18<sup>th</sup> December 1935+39  
CT 172.4. Special Areas

With reference to Minutes of the 4<sup>th</sup> December and earlier, he reported the progress made towards <sup>the</sup> formation of a Company for the provision of credit for small industries in the Special Areas. The following suggestions had been submitted to the Board of Trade -

Capital	£1,000,000
Life	10 years
Maximum Advance	say £5,000 to £10,000

The Governor to appoint the Board, no fees being payable to Directors.

The Government to give £25,000 a year for expenses, to shares to the extent of 25% of the total sums advanced in any eventual loss and to pay Stamp Duty.

Although the Governor was not satisfied that a real need existed for any such organisation he had reason to believe that on the above basis the capital could have been provided; in fact £900,000 was already assured.

The Treasury were, however, anxious to ask Parliament once and for all for a larger contribution than those suggestions entailed, but for his part he was not prepared to assume an outstanding moral obligation to find more capital over an indefinite period.

The Treasury could see no prospect at present of the necessary legislation being passed before March.

CT 191

+746

CT 60.01

(1935)

## 5.

With reference to the Minutes of the 4<sup>th</sup> December and earlier regarding the appointment of Mr. Bunbury to the Court of the Hudson's Bay Company and to the Boards of the London & North Western Corporation and of the Anglo-Oriental Mining Corporation, he had been approached by a Member of the Court who disapproved of these appointments and maintained that in principle before an Adviser undertook any duties of this character the Court should be consulted.

It was agreed not only that such decisions came within the province of the Committee but that in many cases it was not expedient that the appointments should be the subject of a debate in Court.

The Governor, in this connection, said that owing mainly to the prosecution of Mr. Houston, Mr. Bunbury's position as



18<sup>th</sup> December 1925

Regarding the London Tin Corporation and the Anglo-Oriental Mining Corporation was turning out more difficult than expected.

~~1847~~

CT 95

b. Gold Reserves

He submitted a note in which an attempt had been made to estimate the gold reserves required in London as the responsible centre of the whole Sterling Area and said that he proposes to take up the question with the Treasury.

~~+844~~~~+877~~

CT 96

f. Silver

With reference to the Minutes of the 24<sup>th</sup> July, the question of speculation in silver had then been immediately taken up with the Clearing Banks and also with the Brokers.

He now wished to submit to the Committee the difficult and indeed dangerous position which had arisen following upon the recent changes in the buying policy of the American Treasury, whereby the spot market in London was practically and the forward market entirely closed.

On the 17<sup>th</sup> December he had seen the four firms of Brokers who informed him that the market was "long" by at least 0.25 to 0.50 million, of which 0.20 million was on account of European buyers who might take up their commitments and arrange the necessary finance. The remaining 0.25 million was due to be paid for on arrival from the East in the course of the next few weeks.

The total sum involved was estimated at between £2 to £3 million and the Governor proposes, with the concurrence of the Committee, to share equally with [redacted] such advances as may prove necessary until the foreign silver is liquidated: the entire business would be handled by [redacted]

He hoped that the Brokers would accept joint and several liability for any advances made.

~~1848~~

CT 164

g. Oceanic Steam Navigation Company

With reference to the Minutes of the 5<sup>th</sup> June and earlier, he said that the Company had now repaid half the amount of their outstanding advance against delivery of the Shaw Savill Ships which had been held as security. This left the remainder of the advance amply covered.

18<sup>th</sup> December 1935~~1826~~  
CT 159. Clearing Agreements

In view of the unsatisfactory behaviour of Roumanian over the Payments Agreement, he had, while fully maintaining his general objection to Clearing Agreements, agreed with the Treasury that it was difficult in this particular case to object to the proposal to set up a Clearing.

~~1827~~  
Office File P5310. Sir Peter Bank.

With reference to Minutes of the 18<sup>th</sup> September and earlier, he had heard from Sir Bertram Hornsby that unless the position of the Anglo-International Bank had greatly improved in a year's time the need for the services of the Managing Director would have ceased. The Governor proposes that if Sir Bertram Hornsby agrees the remuneration from the Anglo-International Bank to be reduced from £4,000 to £3,000 for the year 1936 and that this sum be supplemented by a fee of £2,500 for the same period to be paid by the Bank of England, with the idea of further reductions in the future.

~~1870~~  
CT 113 0111. The position of Directors' firms in relation to the business of the Discount Office

With reference to the Minutes of the 23<sup>rd</sup> October, he had taken advantage of the opportunity afforded by the weekly meeting with the representatives of the discount market to make known to them on the 5<sup>th</sup> December the attitude of the Bank in this connection. On the 12<sup>th</sup> December he had heard from these representatives that after inquiry no one in the market was under the impression that such firms received privileged treatment.

~~1879~~  
CT 90

12. With reference to Minutes of the 30<sup>th</sup> October, he referred to the recent announcement regarding the admittance of the District Bank Ltd. to membership of the Bankers' Clearing House as from the 1<sup>st</sup> January 1936.

~~1826~~  
CT 16813. Council of Foreign Bondholders

With reference to the Minutes of the 6<sup>th</sup> December and earlier, he read a letter of the 17<sup>th</sup> December from Lord Grosborough approving the arrangements between himself and the Bank regarding the work he was prepared to undertake as President of the Council.

18<sup>th</sup> December 1935+ 726  
CT 15411. Ionian Bank Ltd.

With reference to the minute of the 4<sup>th</sup> December, Mr. Dickson had now agreed to remain on the Board for the present and the Governor had arranged with Sir John Sturges for Mr. R. H. Reid, at one time General Manager of the Ottoman Bank for Turkey, to explore the position. It was possible that Mr. Reid would eventually join the Board together with one other.

The Governor said that it might prove necessary for the Bank of England to assume some liability.

+ 725  
CT 70.03

With reference to the Minutes of the 11<sup>th</sup> December and earlier regarding impending vacancies on the Court, the names of candidates for the Election were again considered.

Tuesday, the 16<sup>th</sup> December 1935.Present -

The Governor  
The Deputy Governor  
Sir Josiah Stamp  
Sir Edward Peacock  
Mr. Callaghan

<sup>draft</sup>  
The Minutes of the last Meeting were submitted.

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) Fortnightly Letter to Dominion Central Banks.
- (2) Weekly Reports on Central Banks.

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

+ 727  
CT 84.  
CT 95

With reference to the Minute of the 18<sup>th</sup> December, the Committee agreed in principle with the Note estimating the gold reserves required in London and the Governor said that he proposes to send the Note to the Treasury to prepare the way for a communication regarding the revaluation of the Gold held in the Issue Department: this further Note was submitted to the Committee for consideration at their next Meeting.

The Governor acquainted the Committee of the following

next 1935 -



24<sup>th</sup> December 1935

matters-

1596  
CT 171. Clearing Agreements

With reference to the Minutes of the 18<sup>th</sup> December regarding a Clearing Agreement with Roumania, a letter has now been received from the Treasury asking him to give favourable consideration to a proposal for a Clearing Agreement with Spain, as the Spaniards appeared to desire the conclusion of such an Agreement he had, while maintaining his objection in principle, found it impossible to oppose or even criticise the arrangement in this particular instance. He has informed the Treasury, however, that he assumes that any such agreement will include provision for the Santander-Mediterranean Railway Debt.

1726  
CT 1542. Ionian Bank Ltd.

With reference to Minutes of the 18<sup>th</sup> December and earlier, he read Sir John David's letter of the 19<sup>th</sup> December stating that Mr. Reid's name would be submitted to the shareholders at the Annual General Meeting at the end of the month for election to the Board. He had since seen Mr Reid who qua Director hopes to go to Egypt and Greece in the Spring to endeavour to find out the true position of the Ionian Bank.

The Governor had promised if necessary to arrange in one way or another for Mr Reid's qualification without further commitment as to the condition, or as to the prospects, of the Ionian Bank.

1840  
CT 203. Denmark.

With reference to Minutes of the 25<sup>th</sup> September and earlier, the visit of the Bank's representatives to Copenhagen had proved entirely satisfactory. There were now signs of improvement in the exchange position thanks mainly to the policy pursued by Dr. Braunsmaas. On purely financial grounds the public issue to consolidate existing Danish short-term indebtedness in London alluded to in the Minute of the 26<sup>th</sup> July would now appear justifiable, but His Majesty's Government propose to ask for a new Trade Agreement early in the coming year and until these negotiations have been brought to a satisfactory conclusion the Chancellor is not prepared to make an exception to the Treasury embargo.

The Governor read his letter of the 20<sup>th</sup> December

24<sup>th</sup> December 1935

to Mr. Gramonaes suggesting that it would be wise for the Danish Government not to put forward any formal request at present for the issue of such a loan.

~~1897~~  
~~1897~~  
2196

to Silva

With reference to the Minute of the 18<sup>th</sup> December, the following requirement had been reached - to be reviewed not later than the 30<sup>th</sup> June -

- (a) Total advances not to exceed £2,500,000 and to be made by [redacted]
- (b) Advances to [redacted] and [redacted] jointly and severally against a maximum of £2,500,000 to be guaranteed by [redacted] and by the Refractors, [redacted] and [redacted]
- (c) Advances to [redacted] against a maximum of £2,500,000. 15% of any ultimate loss being borne by the Refractors and 15% by the other three Silva Brothers
- (d) Any balance of loss which may be sustained to be shared equally between the Bank and [redacted]

Wednesday, the 1<sup>st</sup> January 1936

Present -

The Governor  
The Deputy Governor  
Sir Joseph Stamp  
Mr. Hambro  
Sir Edward Peacock  
Mr. Callings

The draft Minutes of the Meetings on the 18<sup>th</sup> and 24<sup>th</sup> December were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

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

- (1) 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 21<sup>st</sup> February 1935.

1<sup>st</sup> January 1936.

(2) An allowance of £60 a year to be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to Mrs. [redacted] widow of a Pensioner, formerly a Cashier, from the 1<sup>st</sup> December last inclusive.

(3) In view of the late Sir Basil Blackett's association with the British Social Hygiene Council over a number of years a donation of £25 to be made in response to a special appeal issued by the President.

The Governor acquainted the Committee of the following matters -

~~185~~  
CT 50 01

1. With reference to Minutes of the 21<sup>st</sup> November 1935 and earlier, he submitted a list of Government Stocks in the Banking Department showing that the nominal holdings of redeemable stocks were represented 59% of the total: a proportion which cannot conveniently be increased in the present circumstances.

~~186~~  
10  
CT 192

2. With reference to Minutes of the 27<sup>th</sup> March 1935 and to the statement made to members of the Court on the 25<sup>th</sup> July as to the probable advance which would be required by the Armstrong Reclamation Company, the Bank have now taken up a debenture of 1 and 2 Assets Ltd., securing the sum of £370,000, carrying interest at the rate of 3% per annum.

~~187~~  
CT 27

3. With reference to Minutes of the 27<sup>th</sup> November 1935 regarding the opening of an account in the Drawing Office in the name of the State Bank of the Union of Soviet Socialist Republics, he read a letter of the 30<sup>th</sup> December from the Treasury confirming that in any negotiations which may take place between His Majesty's Government and the Russian Government as to outstanding debts due from Russia to this country, the outstanding obligations of the Russian State Bank to Banks in London would be borne in mind.

~~188~~  
CT 85

#### 4. The Stock Exchange and Fixed Trusts

A special Sub-Committee of the General Purposes Committee of the Stock Exchange had for some time past been studying the Fixed Trust Movement and a copy of its Interim



1<sup>st</sup> January 1936

Report had been forwarded to the Bank and to certain Government Departments, arrangements for the publication of the Report having already been made.

The Report includes a draft of regulations which could be adopted by the Stock Exchange as a condition precedent to recognition of such Trusts but states that the full measure of protection to which the public is entitled cannot be achieved without legislation.

~~1827~~  
CT 84  
CT 95

With reference to Minutes of the 26<sup>th</sup> December 1935 and earlier, the Note regarding the revaluation of Gold held in the Issue Department was considered and after discussion the Committee agreed that a copy of the Note, as amended, should be sent forthwith to the Chancellor.

~~1045~~  
CT 70 03

With reference to Minutes of the 13<sup>th</sup> December 1935 and earlier regarding impending vacancies on the Court, the names of candidates for the Direction were again considered.

### Wednesday, the 8<sup>th</sup> January 1936

#### Present:-

The Governor  
The Deputy Governor  
Sir Josiah Stamp  
Mr. Hamoro  
Sir Andrew Duncan  
Sir Edward Barend  
Lord Hyndley  
Mr. Carrington

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

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

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

The following were submitted:-

1. Weekly Reports on Central Banks
2. Portingthely Letter to Dominion Central Banks.

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

1. As from the 1<sup>st</sup> December 1935, the annual payment to the Bank by the Bank Provident Society as a contribution towards the cost of services rendered by members of the Bank staff be increased from £275 to £500

2. A pension be granted in accordance with an Order of Court of the 23<sup>rd</sup> April 1931 and under the provisions of the Trust Deed of the Superannuation

8<sup>th</sup> January 1936

the Superannuation Fund to -

Charles Huns, a Temporary Porter: age 65 years on the 16<sup>th</sup> January next: Service 17 years: £65 a year from the 17<sup>th</sup> January next inclusive.

The Governor acquainted the Committee of the following matters -

~~179~~  
CT 172

1. The suggestions regarding the formation of a company for the provision of credit for small industries in the Special Areas as outlined in the Minute of the 18<sup>th</sup> December 1935 had now been submitted to and approved in principle by the Chancellor who wishes the scheme to go forward despite the possibility that the facilities provided might not be employed.

The Governor therefore proposed to endeavour to raise the agreed capital of £1,000,000.

~~186~~  
CT 168

## 2. The Council of Foreign Bondholders.

With reference to Minutes of the 18<sup>th</sup> December 1935 and earlier, he had written on the 1<sup>st</sup> January to the Chancellor and later to the Foreign Secretary acquainting them of Lord Bessborough's appointment and appealing for full and exclusive support for the Council in all matters coming within its purview.

~~185~~  
CT 85

## 3. Fixed Trusts

With reference to the Minute of the 1<sup>st</sup> January, he had written to the Treasury in the hope that they might take steps to ensure the reaching of some general agreement as to how the position is to be handled.

~~180~~  
CT 122

## 4. Anglo-South American Bank.

With reference to the Minutes of the 16<sup>th</sup> December 1935 and earlier, no progress had yet been achieved in regard to the negotiations with Mr Pease and the Bank of London and South America and at the moment there appears little prospect of any acceptable offer being forthcoming. So soon as these negotiations had reached a definite stage in one direction or another, a meeting of the Pool should be held when the question of a call on the 'A' Shares might have to be considered.

Wednesday, the 15<sup>th</sup> January 1926

Present:-

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

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

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 of Directors -

Staff Committee:

- (a) Minute recommending appointments, Regulations regarding Nationality of Candidates for the Staff, etc.
- (b) Quarterly Report on the Accountants, Cashier's and Secretary's Departments, etc, and on payments made during the Quarter, etc.

It was agreed to recommend to the Court of Directors -

1. That the following Regulation be adopted for application to Candidates for the Director, viz:-  
"The Candidate must be a natural born British subject or a British subject by naturalization under a Certificate of Naturalization granted to him at least 5 years before the date of candidature."
2. Proposals for dates of General Courts for a Dividend and for the Election of Governors and Directors.
3. That invitations be extended to  
Mr Dallas Gerald Mercer Bernard  
Mr Laurence John Cadbury, O.B.E., and  
Mr John Coldbrook Hanbury-Williams.

to allow their names to be submitted to the Proprietors in April next to fill the vacancies on the Court consequent upon the death of Sir Basil Blackett and the impending retirement of Sir Ernest Harry and of Mr Newman.

~~1244~~  
Office File  
C172-02

~~1245~~  
CT 70-03



15<sup>th</sup> January 1936.

Mr. Newman.

The Governor acquainted the Committee of the following matters -

~~1728~~  
CT 71.04

1. A request had been received from the Iraq Petroleum Company that the Governor for the time being of the Bank of England might be named in the arbitration clause of an Agreement to be concluded between that Company and the Basra Land Corporation to appoint an umpire in certain circumstances. Having taken the advice of Sir John Adamson, he proposes with the concurrence of the Committee to comply with the request.

~~1807~~  
CT 35.

2. He read cables from the Governor of the Reserve Bank of New Zealand of the 10<sup>th</sup> and 13<sup>th</sup> January, and the Bank's replies, regarding the position of the Reserve Bank vis-a-vis the Dominion Government on questions of the control of credit and currency.

~~1877~~  
CT 115  
CT 115.02

3. With reference to Minutes of the 30<sup>th</sup> October and earlier, the Chancellor had now decided to appoint a Committee to advise him regarding the application of the so-called "Embargo": suggested terms of reference and instructions as drafted by the Treasury were placed before the Committee.

~~1875~~  
CT 134

#### 4. Frederick Huth and Company.

With reference to Minutes of the 18<sup>th</sup> December 1935 and earlier, the position of the firm and the consequent difficulties were again discussed.

#### 5. Basle

No business of particular interest had been transacted at the January Meeting of the Board of the Bank for International Settlements.

CT 100. ~~1878~~  
CT 100.05 (25)

The meeting of the Governors referred to in the minute of the 11<sup>th</sup> December had been held on the 12<sup>th</sup> January when it was provisionally agreed to recommend that a dividend of 6% should be paid this year partly from the Dividend Reserve and partly from profits.

The legal aspect of the elimination thereafter from the Statutes of the Clause requiring the payment of a cumulative

15<sup>th</sup> January 1936

durdand of 6% was under consideration, but this question was complicated by the fact that shares of the French and Belgian issues remain in private hands

L 578

L 578 (10)

L 287

CT 100  
CT 40

Other matters discussed at Basel were the liability of the B.I.S. in respect of the French Government Guarantee Fund, fresh deposits by the Central Banks, the liability on minimum Government Deposits and the possibility of reducing expenses; and, separately, the possibility of a French Credit in London to tide over the difficulties of the next few months.

### Presidency of the B.I.S.

Mr. Trip had expressed a wish to resign but no agreement had been reached as to his successor.

### b. The Sterling Area

With reference to Minutes of the 13<sup>th</sup> November 1935 regarding the possibility of Germany attaching herself to the Sterling Bloc, he read the draft of a letter he proposed to send to the Treasury advising them as to the present idea of the Germans and saying that a representative of the Bank was proceeding to Berlin to ascertain the attitude and technical intentions of the Reichsbank.

7. He referred to the Anglo-German Payments Agreement, certain arrangements under which end not later than the 30<sup>th</sup> June 1936 and others after a month's notice given at any time, and read a letter he had written to the Treasury regarding the future method of dealing with German Reich and non-Reich indebtedness to British residents, other than that coming within the Standstill Agreement.

Before proceeding further the Governor wished to learn the Treasury's attitude in principle to an early and permanent arrangement in one way or another of the whole question.

### Wednesday, the 22<sup>nd</sup> January 1936

#### Present:-

The Deputy Governor  
Sir Josiah Stamp  
Mr. Hambro  
Mr. Andrew Duncan  
Sir Edward Peacock  
Lord Hymetley  
Mr. Callaghan

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

22<sup>nd</sup> January 1936.

The following were submitted -

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

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

1. Proposal for the date of a special General Court of Proprietors to consider an Address of Condolence to His Majesty on the death of the late King, and of Congratulation on His Majesty's Accession to the Throne; and an Address of Condolence to Her Majesty the Queen.

1728

CT. 71 04

2. A request from His Majesty's Treasury that in the matter of the acquisition by the Commissioners of Works of certain Crown Lands the Governor for the time being of the Bank of England be nominated Arbitrator for the determination, in default of agreement between His Majesty's Treasury and the Commissioners of Crown Lands, of the rate of interest to be carried in respect of the amount of the consideration payable by the Commissioners of Works.

3. A letter from Mr. Hambro asking permission to join the Board of the Fishguard and Rosslare Harbour Co. Ltd.

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

1. Pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

M<sup>r</sup> B. N. Invers, Principal of the Discount Office: age 60 years: service 40 years: £22 11s 13d - a year from the 1<sup>st</sup> May next inclusive.

N. A. Keble, a 3<sup>rd</sup> Grade Merchant Seaman: age 29 years: service 10 years: who in the opinion of the Bank Medical Officer is unfit for further service: £42 a year from the 24<sup>th</sup> January next inclusive.

2. A grant be made from the Special Pensions Reserve Fund established under an Order of Court of the 6<sup>th</sup> December 1928 of an amount sufficient to purchase an immediate Annuity of £300 for the widow



22<sup>nd</sup> January 1936

of the late Mr

next on which date 2<sup>nd</sup> will have attained the age of 60 years.

Further that a compassionate allowance be granted for the benefit of 2<sup>nd</sup> of a sum of £750, together with an amount estimated at £100 sufficient to provide for the completion of the training of her youngest child. Both allowances to be paid free of tax.

3. The subscription to the Royal Institute of International Affairs be continued at the rate of £100 per annum.

The Deputy Governor acquainted the Committee of the following matters-

CT 171  
Securities  
Life Pol.

Office file  
P56

- (1) With reference to Minutes of the 20<sup>th</sup> March 1935 and earlier. The Securities Management Trust propose, with the Committee's concurrence, to continue until the 23<sup>rd</sup> February 1937, the arrangement with Sir James Cooper, under which he receives a retainer fee of £500 a year.

CT 172  
CT 164

(2) Oceanic Steam Navigation Company

With reference to Minutes of the 18<sup>th</sup> December 1935 and earlier, the Company had repaid on the 15<sup>th</sup> January half the amount of their outstanding advance.

Wednesday, the 20<sup>th</sup> January 1936.

Present-

The Deputy Governor

Sir Josiah Stamp

Mr. Hambro

Sir Andrew Duncan

Sir Edward Peacock

Mr. Carrasco

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 Act.

The Weekly Reports on Central Banks were submitted.

The Quarterly Report of the Committee to consider the Securities of certain Funds was submitted and referred to the Court of Directors.

29<sup>th</sup> January 1936.

It was agreed to recommend to the Court of Directors that a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

A. M. Shorrocks, a Permanent Woman Clerk age 39 years: service 16 years: who in the opinion of the Bank Medical Officer is unfit for further service: £70 8/- a year from the 1<sup>st</sup> February next inclusive.

*1897*  
CT 182.

With reference to the minute of the 5<sup>th</sup> July 1933 as to the provision of an advance up to £150,000 to the Fairfield Shipbuilding and Engineering Company Ltd, the Deputy Governor informed the Committee that the Bank's position under the arrangements then made was now being taken over by the Bank of Scotland. The advance to the Company had in fact amounted to £45,000 only but, in order to comply with Scottish Law, it had proved necessary to advance the maximum amount before the transfer was effected. The total sum would be repaid by the Bank of Scotland on the 30<sup>th</sup> January when the documents necessary for the assignment of the Bank's Security had been sealed.

Wednesday, the 5<sup>th</sup> February 1936.

Present -

The Governor  
The Deputy Governor  
Sir Josiah Stamp.  
Mr Hambro  
Sir Edward Peacock.  
Lord Hymudley  
Mr Callaghan.

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 alterations 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. Quarterly Report of the Audit Committee

5<sup>th</sup> February 1926.

## 2. Staff Committee -

- (a) Minute recommending promotions and increases in salary under the 1926 Salary Scheme.
- (b) Report on the Annual Reports of the Clerical Staff at the Head Office and Branches with recommendations for increases of salary, etc.
- (c) Recommendations under the 1926 Salary Scheme.

## 3. Committee on St. Luke's

- (a) Report regarding basic salaries of certain of the Administrative Staff at St. Luke's Printing Works.
- (b) Report on the Annual Reports of the Administrative and Clerical Staffs at St. Luke's Printing Works with recommendations for increase of salary, etc.
- (c) Recommendations under the 1926 Salary Scheme.

It was agreed to recommend in due course to the Court of Directors that a donation not exceeding £1,000 be made in response to the appeal from the Archbishop of Canterbury on behalf of Tynner Hall.

The Governor acquainted the Committee of the following matters -

~~1887~~  
N/E.

1. Mr. Leon Fraser writing on behalf of the Academy of Political Science, New York, had asked him to urge Mr. Driff to accept the Academy's invitation to speak in New York early in April on the subject of currency stabilisation. He had promised to take up the question with Mr. Driff when in base.

~~1887~~  
Office File P30

Mr. Fraser also asked that Mr. Clay might go to New York at the same time to read a paper in public on some topic concerned with sterling and stabilisation. The Committee agreed that, apart from the inconvenience which would be occasioned here by Mr. Clay's absence, acceptance of the invitation was undesirable as he could not in public disavow himself of his connection with the Bank.

~~1887~~  
CT. 168

2. Council of Foreign Bondholders.

With reference to Minutes of the 8<sup>th</sup> January and earlier, Lord Bessborough had informed him that, if the work of the Council is to be carried on efficiently, additional income is necessary to meet expenditure estimated at about £5,000 a year, together with such

a sum



5<sup>th</sup> February 1936.

a sum as may be required to provide for Income Tax thereon. In addition, an amount of approximately £5,000 is needed for furniture, premises, etc.

The Committee agreed in principle with the provision of the requisite funds and authorised a contribution from the Bank of from £1,000 to £2,000 a year for five years. The Governor proposes to approach the banks and other interested bodies.

~~1899~~  
CT 167

### 3. League Loans Committee.

Mr Lubbock had expressed the wish that his place on the Committee might be taken by Lord Bessborough.

~~1899~~  
~~1097~~  
CT 96

### 4. Silver.

With reference to arrangements made for the provision of Advances to certain brokers in the London Market as detailed in the Minute of the 24<sup>th</sup> December 1935, those concerned have professed their ability to look after the comparatively small amount still outstanding on their own resources: no Advances have been taken under the Scheme and all outstanding contracts have been taken up.

The arrangements have accordingly been cancelled.

~~1076~~  
CT 17

### 5. Anglo-Spanish Payments Agreement

With reference to the Minute of the 24<sup>th</sup> December, he read a letter of the 23<sup>rd</sup> January from the Treasury setting out the difficulties which have arisen in connection with the Spanish Clearing Office as regards London Acceptances, the amounts of which are greatly in excess of the total sterling receipts likely to be available through the Clearing in the next three months.

Even though arrangements be made to tide over the present difficulties, the effect on the future of the acceptance and entrepôt business with Spain must be disastrous.

Having regard to the possibility of similar agreements being concluded with other countries in the near future, the Governor emphasised the importance of representations being made to the Chancellor on behalf of all those interests adversely affected.

CT. 100-91 ~~1898~~  
(47)

### b. The Presidency of the Bank for International

With reference to the Minutes of the 15<sup>th</sup> January, <sup>Settlements</sup>

5<sup>th</sup> February 1936.

he read his letter of the 1<sup>st</sup> February to Dr. Schacht stating that in his view a President resident in Basel was necessary, and suggesting names as a basis for consideration. He had since heard, however, that Monsieur Jannery was in favour either of continuing the present arrangement for a further term or of a yearly rotation among the Governors which would mean that the President would come to Basel only for Meetings and at other times would be replaced by an alternate.

179  
ET 172

### 7. Special Areas - Provision of Credit for Small Industries.

With reference to the Minutes of the 8<sup>th</sup> January and earlier, there was every reason to believe that £900,000 of the capital required would be raised from among the Trust and Finance Companies, Insurance Companies, large industrial undertakings, etc. Assuming this sum to be found, he proposed to approach the Banks to provide the ordinary share capital of £100,000 which amount the Committee agreed should be underwritten by the Bank.

Wednesday, the 12<sup>th</sup> February 1936.

#### Present -

The Governor  
The Deputy Governor  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymnley  
Mr Cattano

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 List of Subscriptions to Charities, etc., for the current year other than those payable under deeds of covenant was submitted and approved.

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

1. The rate of interest to be allowed by the Bank to the Bank Provident Society on deposits by members be continued for the ensuing year at the rate of  $3\frac{1}{2}\%$  free of Income Tax.

2. A pension be granted in accordance with the scale to -

Secretary's  
~~File 179/112~~  
N/E

17th February 1936

George Detenon, an Inspector at S. Ludo's Printing Works age 65 years; service 40 years: £155 12s 6d a year from the 19th April next inclusive.

(3) An allowance of £18 a year to be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to-

Mr [redacted] widow of [redacted] a pensioner, formerly a House Porter and Watchman at the Western Branch, from the 3rd January last inclusive.

The Governor acquainted the Committee of the following matters-

LS 76  
ET 192.02

1. The International Paper and Paper Company. Following on the report of Mr Graustein's resignation from the Board he had sent a cable to Mr Walter Taylor in New York enquiring as to the significance of the strike and its effect on the plans for the re-organisation of the industry. Mr Walter Taylor's replies were reassuring.

LS 77  
ET 33

2. At the request of the Governor of the National Bank of Egypt a cable had been sent to Sir O. B. Nirmeyer conveying a request from the Minister of Finance that he would spend a week in Cairo on his way back from India. In view of a letter from the National Bank explaining the negotiations with the Egyptian Government, the Committee agreed that the decision must rest with Sir O. B. Nirmeyer.

LS 78  
ET 78

3. With reference to minutes of the 25th January 1933 and earlier regarding Messrs J and A. Scrimgeour's agreement to limit their issue business to certain defined classes of security, he had now received a letter saying they wished to be freed from their undertaking. The Governor referred to the fact that Messrs Mullens and Company and Messrs A. Nisiren and Company had entered into similar agreements and thought it unwise from all standpoints that speculative issue business should be continued with issues on behalf of the Dominions or the Crown Agents.

4. Baste No business of particular interest had been transacted at the February Meeting of the Board of the Bank for International Settlements.



12<sup>th</sup> February 1936

~~1878~~  
 (212) (55)  
 CT 100.05

~~1878~~  
 (77)  
 CT 100.01

Questions regarding minimum Government deposits, the dividend on the Shares and an amendment of Art. 52 of the Statutes had been held over until next month.

The Presidency of the Bank for International Settlements.

The Governor gave an account of private discussions between the Governors; contrary to the view he had expressed to Dr Schaechle in his letter of the 1<sup>st</sup> February, it had been agreed as a compromise that Dr Jappin asked to retain the Presidency for a further year with Dr Baeyer as his alternate.

Wednesday, the 19<sup>th</sup> February 1936.

Present:-

The Governor  
 The Deputy Governor  
 Sir Josiah Stamp  
 Sir Andrew Duncan  
 Sir Edward Peacock  
 Lord Hyndley  
 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) Periodically letter to domestic Central Banks
- (3) Draft minutes of the February Meeting of the Board of the Bank for International Settlements
- (4) Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of January and on special Advances

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

- (1) Committee on Advances and Discounts-

Report on the business of the Bank during the past year in regard to Advances and Discounts, etc.

- (2) Staff Committee-

- (a) Minute recommending appointments, etc.
- (b) Report recommending the election of three Probationary Male Clerks to the Permanent Staff
- (c) Report containing proposals regarding the rate of Commutation of Pensions of the male Clerical Staff, Permanent and Auxiliary

19<sup>th</sup> February 1936.

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 -

(a) to Mr.

Widow of [redacted] a  
Prisoner, formerly a House  
Porter and Watchman at  
the Manchester Branch

In accordance with the Scale £18  
a year from the 1<sup>st</sup> January last inclusive

(b) to Mr.

Widow of [redacted], an  
Auxiliary Clerk, formerly a  
Permanent Clerk,

Exceptionally, 10/- a week for a further  
period of two years from the 20<sup>th</sup> February  
inclusive, the matter to be reconsidered  
by the Governors at the end of that  
period.

Consequent upon the adoption by the Court of the 30<sup>th</sup> May 1925 of the Second Interim Report of the Special Committee appointed by the Court of the 3<sup>rd</sup> January 1925 a revision of the signing powers granted to certain ranks of Clerks under previous Orders made on the 12<sup>th</sup> June 1915 and subsequently now becomes necessary.

The Committee therefore recommend to the Court of Directors that the ranks enumerated hereunder be authorised to sign documents as specified; such authority to take effect as from the 1<sup>st</sup> March 1936 -

#### Certificates of Balance

##### Statements of Drawing Accounts

To be signed by the Principal,  
deputy Principal, or Assistant  
Principal of the Drawing Office after  
being signed and examined by -

one of the Clerks in that Office in the  
Division of Grade I.

##### Statements of Securities deposited for Safe Custody.

To be signed by the Principal, or  
deputy Principal of the Securities Office  
after being signed and examined by -

one of the three senior Clerks in Grade I  
in that Office.

19<sup>th</sup> February 1936Statements of Bills used.

To be signed by the Principal or  
Deputy Principal of the Bill Office

after being signed is examined by - one of the Clerks in that Office in the  
1<sup>st</sup> Division of Grade I.

Write-Offs, etc.Prepared in the Discount Office.

To be signed by -

- (a) any two of the Principal, Deputy  
Principal or Assistant Principal, or
- (b) any one of them in conjunction with  
either of the two Senior Clerks in Grade I  
in that Office.

Prepared in the Bullion Office.

To be signed by -

the Principal, Deputy Principal or one of the  
two Senior Clerks in Grade I in the Office  
jointly with one of the four next senior  
Clerks on the Staff of the Office.

Prepared in other Offices of the Cashier's Department.

To be signed by the Principal, Deputy  
Principal or Assistant Principal of  
an Office jointly with

one of the Clerks in the 1<sup>st</sup> Division of Grade I  
in the office, or, where there are not more  
than two Clerks in the 1<sup>st</sup> Division, one of  
the three Senior Clerks in Grade I.

The recommendations relating to the signing of "Write-Offs" to apply only to documents used within the Bank for effecting transfers from one account to another: they are not to apply to documents drawn for payment in cash or to documents intended for delivery to persons outside the Bank except in the case of Bankers' Payments, Bullion Tickets and cheques on sundry official accounts required for internal purposes from which accounts payments have in some cases to be made outside the Bank.

CT 50.07

The half-yearly Report dated the 12<sup>th</sup> February 1936  
of the Committee on the Permanent Control of Expenditure was submitted.  
In accordance with the terms of an Order of Court  
of the



19<sup>th</sup> February 1926

of the 17<sup>th</sup> April 1925 that Committee have considered the results of the independent examinations conducted into the Bank's expenditure which, in their view, have proved of considerable value and from which they note that such expenditure is being controlled with proper regard to economy and efficiency.

Having thus expressed their views, the Committee on the Permanent Control of Expenditure are of opinion that this work no longer requires the whole time services of a member of the Staff and recommend that in future the Superintendent of Costing should, in conjunction with his work in the Costing Section of the Secretaries Office, supervise the Bank's expenditure in relation to services performed and goods purchased.

The Committee endorse this opinion and recommend to the Court of Directors the adoption of the recommendation of the Committee on the Permanent Control of Expenditure with regard to the method in which the scrutiny of the Bank's expenditure should be continued. The Committee further recommend that the results of such scrutiny be reported each half year to the Committee on the Permanent Control of Expenditure by the Superintendent of Costing.

If it should subsequently be found that the additional work thrown upon the Superintendent of Costing necessitates an increase in the Staff of the Costing Section of the Secretaries Office, the Committee propose that this question should in due course form the subject of a recommendation of the Staff Committee.

The suggestion in the Report that some revision might be considered in regard to the allowance granted to a Director on the occasion of a visit to a Country Branch was referred to Mr. Martin in order that he might prepare a report for submission to the Committee.

CT 70.01

CT-50 08

~~1915~~

The Governor referred to the Order of Court of the 1<sup>st</sup> February 1926 regarding the certification of the Bank's Balance Sheet by Messrs. Deloitte. It was agreed at the time to limit the scope of the audit to the Head Office and the two London Branches although in a memorandum of April 1925 Messrs. Deloitte had said "it might be thought desirable that the accounts of one or two of the Country Branches selected by the auditors should be similarly audited."

19<sup>th</sup> February 1936

In the Governor's view the accounts at each Country Branch should over a period of years be subjected to an audit of this nature. The Committee concurred and agreed to recommend to the Court of Directors that Messrs. Deloitte be requested to carry out audits of the half-yearly Balance Sheets of the Country Branches, one or two Branches being selected each half year for this purpose: such audits to be on the same lines as those laid down for the audit of the accounts at the Head Office and New South Branch.

The Governor acquainted the Committee of the following matters-

~~LG 20~~  
CT 70.04

(1) Mr. Kisson wished to join the Board of the Athlone Buildings and Offices Co., (Leeds) Ltd, a company with a small share capital approximately half of which was held by members of his family. In the Governor's view this would not affect Mr. Kisson's position as a Director of the Bank and he does not therefore propose to refer the matter to the Court.

~~LG 24~~  
CT 40

(2) French Credit.

The credit recently arranged between the French Government and a group of London Bankers met with the approval of the Chancellor. It had been made a condition of the credit that transfer should be effected without direct depletion of the Exchange Fund's resources and with the least possible disturbance of the rate of exchange.

A suggestion had been put forward that the conclusion of these arrangements provided a fitting opportunity for Mr. Janney to visit London, which he had been anxious to do for some time. In view of the impending election in France the Governor considers such a visit would be inopportune.

~~LG 55~~  
CT 186

(3) Wulcanor Beardmore and Co. Ltd.

With reference to the Minutes of the 5<sup>th</sup> September 1934 and earlier, it had been agreed that Sir James Lithgow should become Chairman of the Company: as a gesture of his intention to guide its course in the future Sir James Lithgow was willing to invest the sum of £1/300,000 in such a manner as would make the remuneration in respect of this amount dependent in some degree on the size of the future earnings of the Company. The investment would probably take the form of a purchase for cash of:-

1. The 7% Preference Stock held by the Bank and by H.M. Treasury at 99%;
2. The Interest Certificates to be received by the Bank and by H.M.

Treasury, the former at 50% discount and the latter at par.

To assure the goodwill of all concerned, the Governor had agreed

19<sup>th</sup> February 1926.

had agreed to purchase from Floyds Bank "A" Income Deferrable Stock of which the Bank would hold not less than £50,000 in order to have and retain a financial interest during the continuance of the Voting Control period.

Present -

The Governor  
The Deputy Governor  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymetley  
Mr. Callerns

Wednesday, the 26<sup>th</sup> February 1926.

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) Half-yearly Report on the progress of mechanisation

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

J.C. McKay,	a Cashier: age 65 years on the 18 <sup>th</sup> March next. Service 46 years: £591.7.6 a year from the 19 <sup>th</sup> March next inclusive.
M.E. Harris	a Principal Woman Clerk: age 50 years on the 5 <sup>th</sup> March next. Service 20 years: £192.10/- a year from the 6 <sup>th</sup> March next inclusive.

CT 50.07 ~~1865~~  
CT 70.01

The suggestion contained in the half-yearly Report of the Committee on the Permanent Control of Expenditure dated the 17<sup>th</sup> February 1926 as to the allowance paid to Directors on the occasion of visits to the Country Branches was considered, and it was agreed to recommend to the Court of Directors that the amount of such allowance be reduced from Twenty guineas to Ten guineas but that in the event of expenses in excess of this sum being incurred by any Director the excess be repaid to him.

CT 50.04 ~~1845~~

The Governor informed the Committee that the



21<sup>st</sup> February 1956+875  
CT 50 04

estimated profits for the half-year ending the 29<sup>th</sup> February 1956 after deducting all charges (including Income Tax and the amount of the annual contribution to the Superannuation Fund) and making provision for a dividend of 10% amounted to £11,000.

After allowing for certain small items a sum of £300,000 remained which it was proposed to transfer to Suspense Account. As regards contingencies, it was further proposed that a sum of £299,900 be withdrawn from that account to write down the book cost of the shares of the Bank for International Settlements to £100 in view of the large uncalled liability attaching to the shares.

The Governor acquainted the Committee of the following matters-

+878

CT 78

(1) With reference to Minutes of the 12<sup>th</sup> February and earlier, Messrs J. and A. Scrimgeour had now agreed to keep their underwriting activities within the limits defined in their letter of the 20<sup>th</sup> January 1955, save only that the expression "Issues dealt in in the Sub-edged Market" was substituted for "Trustee Stocks".

+851

CT 140

CT 117

(2)

Mr [redacted], the Chairman of the Finance Committee, and a Mr [redacted] had recently called to see him. In a general way they appeared to wish for the Bank's recognition of [redacted] as a national institution and for co-operation in handling problems of investment, etc. Specifically they wished to ascertain if it were possible to open an account here in the name of [redacted]. The question of representation on the Board was also discussed.

The Governor read the draft of a letter he proposes to send to Mr [redacted] after consultation with the Treasury, explaining that in view of [redacted] important banking business the Bank would be pleased to open an account as a means of contact and co-operation but in conformity with their desire to avoid competing with the Commercial Banks they would not expect to undertake routine banking business for [redacted].

It was also suggested that contact might be established between [redacted] Statistical Department and the Bank's Economics and Statistics Section.

(3) He had received a letter from Sir Edward Beatty dated 13<sup>th</sup> February regarding two appointments in Canada either of which might, if the Governor approved, be offered to Mr J. Jackson. It was agreed that [redacted] the Bank.

Office File P55

26<sup>th</sup> February 1936

the Bank could neither ignore the obligations of co-operation with Canadian interests nor stand in Mr Jackson's way. The Governor proposes with Sir Edmund Beatty's consent to sound Mr Jackson on his return from Australia.

CT 41  
CT 113-03

LC 30

#### (4) Hungarian Standstill Bills

For the past 5 years Acceptances to an amount of a little over £3 million had been carried by the market and were taken here only on account of the national emergency. The Governor considers the time is now approaching for their elimination from the Market and suggested that a private word to that effect might be given to the Acceptors and to the discount market coupled later with a warning that the Bank will cease to take such Bills after, say, a year hence.

After discussion consideration of the suggestion was adjourned.

Wednesday, the 4<sup>th</sup> March 1936

#### Present-

The Governor  
The Deputy Governor  
Sir Joseph Stamp.  
Sir Andrew Duncan  
Sir Edward Pearce  
Lord Hymolley  
Mr Callaghan

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 following were submitted:-

- (1) Weekly Reports on Central Banks
- (2) Fortnightly Letter to Dominion Central Banks

The Report of the Committee on the Refurbishing of the Bank regarding the treatment of the outer walls was submitted and referred to the Court of Directors.

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

- (1) As from the 1<sup>st</sup> March 1936 a pensionable salary of £2000 a year be paid to Mr B. H. D. Skinner as Assistant to the Governor.

4<sup>th</sup> March 1926

(2) A pension be granted in accordance with the Statute and under the provisions of the Trust Deed of the Superannuation Fund to -  
 Mrs N. G. K. Ghent, an Auxiliary Woman Clerk: age 50 years on the 28<sup>th</sup> March next: service 17 years: £63 a year from the 29<sup>th</sup> March next inclusive.

The Governor acquainted the Committee of the following matters:-

Office File  
 Miss

1. Memorial to King George V. as the result of a recent Meeting at the House of Commons over which the Prime Minister presided, the Lord Mayor was requested to make inquiries throughout the Country whether the Memorial should be of a National character or whether a series of Memorials in different parts of the Country would be more acceptable. He had been invited to attend a meeting which the Lord Mayor had called for the 12<sup>th</sup> March at the Mansion House to discuss this question.

~~1855~~  
 CT 186

2. William Beardmore and Co Ltd. With reference to minutes of the 17<sup>th</sup> February and earlier it was arranged at a recent meeting of the Securities Management Trust that Mr H. A. Kinnike, the retiring Chairman, should be given a sum of £7,000 in recognition of his services to the Company. Of this amount £5,000 would be paid by The Securities Management Trust and the remainder by Sir James Guthrie.

Agreement had been reached with Lloyds Bank as to the purchase from them of £154,311 "A" Income Preference Stocks for £140,000. This was subject to the agreement of Lord Invernism but Lloyds Bank were willing that so far as the guarantee given to them by Lord Invernism was concerned the sale should be regarded as having been made at par.

~~1846~~  
 CT 168

3. Council of Foreign Bondholders With reference to the Minute of the 5<sup>th</sup> February regarding the expenses of the Council, he read his letters of the 3<sup>rd</sup> March to the Chairman of the Committee of London Clearing Bankers and to the President of the Council agreeing to place at the disposal of the President a sum of £6,000 for the current year and a similar sum each year for the next four years. The Governor hopes to obtain subscriptions totalling £5,000 a year leaving the balance of £1,000 to be found by the Bank: the names of subscribers will not be disclosed.

4. He referred to the need for a financial adviser to the



4<sup>th</sup> March 1936 ~~1782~~  
CT 49. (Burma)

CT 32.01 ~~1787~~  
(India)

CT 39.02 ~~1788~~

the Burmese Government when the new Consulations come into force; and for a Liaison Officer between the Finance Minister of the Government of India and the Reserve Bank. He asked for the assistance of the Committee in finding men suitable for these posts.

5. Chinese Bondholders' Committee With reference to Minutes of the 30<sup>th</sup> October 1925 and earlier as to the formation and constitution of the Committee it was in his view of the utmost importance that all countries concerned should present a united front when approaching the Chinese. The Committee had been given power to co-opt further members.

He now learned that difficulties had arisen owing to French and American interests not being represented on the Committee and to the demand from a certain quarter that the Committee should appoint and provide the salary of its own representative in China. He referred to the arrangement under which the Bank and the Hongkong and Shanghai Banking Corporation shared equally the non-recoverable expenses of the Committee: the appointment of the Committee's own representative in China would add to these expenses a sum of £5,000 to £10,000 a year.

Wednesday, the 11<sup>th</sup> March 1936.

Present-

The Governor  
The Deputy Governor  
Sir Andrew Duncan  
Sir Edward Peacock.  
Lord Hymdley  
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 Weekly Reports on Central Banks were submitted.

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

1. The half-yearly Accounts of S. Luke's Printing Works and of the Works Department.

2. The Annual Reports of the Samaritan Fund, the Clerks' Guarantee Fund and the Special Pensions Reserve Fund.

11<sup>th</sup> March 1936

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 to be made on the 4<sup>th</sup> April next of  $\frac{1}{2}$  per cent. less Income Tax.

The Governor acquainted the Committee of the following matters:-

1. Frederick Huth and Co.

L 75  
CT 124

With reference to Minutes of the 15<sup>th</sup> January and earlier, all agreements had now been signed by the Partners of the firm and by the British Overseas Bank. Mr. J. A. König and Mr. Alfred Wolstein retire from the firm as from the 11<sup>th</sup> March. The business will be transferred to the British Overseas Bank on the 16<sup>th</sup> March, on which day public notice of the transfer will be given.

A draft of the notice which it was proposed to issue to the Press was submitted.

L 75  
CT 46

2. In pursuance of the policy of maintaining personal contact with foreign Central Banks he had arranged for Mr. Gunstov to visit the Governor of the National Bank of Czechoslovakia in the near future.

L 87  
CT 35

3. With reference to the Minute of the 4<sup>th</sup> December 1935 and to the visit of Mr. Herschauer and Mr. Jackson to Australia, he had heard with regret from the Governor of the Reserve Bank of New Zealand that on political grounds it is undesirable for either of them to visit that Country at the present juncture.

L 87  
(25)

CT 100 05

4. Basle.

No business of particular interest had been transacted at the March meeting of the Board of the Bank for International Settlements.

With reference to Minutes of the 12<sup>th</sup> February 1936 and earlier, no decision had yet been reached regarding the Dividend on the Reserves against frozen assets and both questions had been left in the hands of the President.

Present -

The Deputy Governor  
 Sir Josiah Stamp  
 Sir Edward Pearce  
 Lord Asquith  
 Mr. Callaghan

Wednesday, the 18<sup>th</sup> March 1936.

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 and Discounts on the Discount business of the Bank for the month of February.

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

- (1) Minute of the Committee on Advances and Discounts recommending the opening of a Discount Account.
- (2) Minute of the Staff Committee recommending appointments, etc.
- (3) House List of Governors and Directors for the year ensuing

With reference to the Election of Members of the Committee of Treasury for the ensuing year it was agreed to recommend to the Court of Directors -

That the Voting papers be issued on Thursday, 19<sup>th</sup> March.

That the Voting take place at the Court on the 2<sup>nd</sup> April, and that Directors who so desire be allowed to record their Votes after making their declaration of Office on Wednesday, the 1<sup>st</sup> April.

That the Votes be counted after Court on the 2<sup>nd</sup> April, and

That the Standing Committee be appointed on Thursday, the 9<sup>th</sup> April.



18<sup>th</sup> March 1936

It was agreed to recommend to the Court of Directors that the Agent of the Leeds Branch be authorised to make a donation not exceeding 100 guineas in response to the appeal on behalf of the General Infirmary at Leeds.

L.B. 61

(3)

25 1936

Vickers-Armstrongs Ltd.

The Deputy Governor referred to the minute of the 24<sup>th</sup> August 1929, to the Contract of the 16<sup>th</sup> February 1928 made between Vickers-Armstrongs and the Sun Insurance Office, and to the subsequent purchase by the Bank of the rights in the form of "extra-premiums" under this Contract as and when those rights came into existence. In accordance with this arrangement the Bank had paid the Sun Insurance Office, between April 1929 and March 1933 inclusive, sums totalling £1 million.

A suggestion had been put forward by Vickers-Armstrongs that this capital sum should be repaid now, together with simple interest at the rate of 12% per annum instead of the 16% specified in the Contract.

The Committee agreed that an offer on this basis should be accepted subject to agreement between Vickers-Armstrongs and the Sun Insurance.

Wednesday, the 25<sup>th</sup> March 1936Present -

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

The Minutes of the last Meeting were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

A Minute of the Committee on St Luke's recommending that the Regulations for the Employment of the Clerical Staff (Permanent and Auxiliary) at St Luke's Printing Works be reprinted was submitted and referred to the Court of Directors.

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

(1) A satisfactory Medical Certificate having been received, Mr. H. Giddens, a Pensioner, formerly Secretary of the Bank, be allowed, as an exception,

25<sup>th</sup> March 1936

exception, to commute £26.14- of his prison for a cash payment of £850.2.-

(2) A pension to be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

M. B. Goodall, a Woman Clerk: age 29 years: service 11 years: whose resignation was called for by the Court of the 19<sup>th</sup> March on account of ill-health. £42.18- a year from the 5<sup>th</sup> May next inclusive.

The Governor acquainted the Committee of the following matters -

~~LF 22~~  
CT 40

1. Letters were laid before the Committee which had passed between the Governor of the Bank of France and himself concerning arrangements under which temporary advances against gold would be granted to the Bank of England.

~~LF 24~~  
CT 90

## 2. Committee of London Clearing Banks

It had been suggested to him by Lord Bradbury, the Chairman, that difficulties which had arisen within the Committee regarding, inter alia, the succession to the Chairmanship might be solved if the Deputy Governor of the Bank of England were to act as permanent Chairman. The Governor was anxious to do all in his power to co-operate and if a unanimous request were received from the Clearing Banks he would bring the question forward. In his opinion the election of a more permanent Chairman from outside the 5 Large Banks, e.g., Lord Bradbury, would provide a more satisfactory solution.

The question of the Secretaryship of the Committee was also under consideration.

~~LF 24~~  
CT 401

## 3. Australia

With reference to the Minute of the 18<sup>th</sup> December 1935 regarding the future exchange position, it was estimated that the year 1935/6 would again show a favourable export balance - but insufficient to meet debt charges - mainly because no attempt had been made to restrict imports and because no sterling reserves had been built up in favourable export years.

In order to meet the temporary deficiency it was

25<sup>th</sup> March 1936

anticipated that a proposal might be put forward for a long-dated issue on the London Market of, say, £10 million. To discourage any such unsound practice the Bank would prefer to offer facilities to the Commonwealth Bank for a short-term credit of from £5-£6 million.

The Committee concurred.

~~1876~~

C 113

#### ix. The Discount Market.

With reference to the Minute of the 25<sup>th</sup> January 1935 regarding the necessity for some measure of nationalisation of the Discount Market, the number of Houses having discount accounts had since that date been reduced from 22 to 13.

It had been a general rule that when an Unlimited was succeeded by a Limited Company the liability of the partners must be replaced by uncalled capital and/or the gradual provision of adequate reserves out of profits.

Wednesday, the 1<sup>st</sup> April 1936.

#### Present:-

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

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 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 a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

E. P. A. Phillips, a Permanent Woman Clerk: age 49 years: service 19 years: £110 a year from the 1<sup>st</sup> May next inclusive.

The Governor acquainted the Committee of the following matters -

1. Bank



1<sup>st</sup> April 19361. Bank for International Settlements

With reference to Minutes of the 11<sup>th</sup> March and earlier, he submitted the draft of a letter to Dr. Meyer regarding a memorandum by the President dealing with the following points which will come up for discussion at the April Meeting of the Board-

(a) The interpretation of Article 53 (c) of the Statutes.

(b) The formation of a Syndicate of Central Banks to purchase the shares of the Belgian Tranche in the hands of the public, it being understood that the cost to the Bank of England would be approximately £90,000.

(c) An approach to the various Treasuries with a view to altering the provisions for a cumulative 6% dividend.

(d) Deposits by Central Banks represented on the Board.

The terms of the draft were approved.

2. Sir Peter Birk had been asked to join the Board of Adam A.G. in Vienna. Having ascertained that the company is of good standing, the Governor proposes to write to Sir Peter Birk expressing the hope that he will accept.

3. Dr. Alberto Hucyo, late Finance Minister of Argentina, had arrived in England and wishes to thank the Bank in general and Sir O.E. Nymmer in particular for the services rendered to Argentina. Dr. Hucyo had agreed to postpone his visit to the Bank until such time as Sir O.E. Nymmer had returned.

4. William Beardmore and Co. Ltd.

He had nominated Mr. Bruce Jardine as a member of the Voting Control Committee in the place of the late Sir James Cooper.

5. With reference to Minutes of the 22<sup>nd</sup> January, the Securities Management Trust proposes, with the concurrence of the Committee, to pay to the executrix of the late Sir James Cooper the retaining fee of £500 which it had been agreed to pay him for the year ending 28<sup>th</sup> February 1937.

b. With reference to Minutes of the 15<sup>th</sup> January and earlier, regarding the appointment of a Committee to advise the

CT100 10878

(57)

CT100.02

(44)

(25)

CT100.05

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N/E10877  
CT-2310855  
CT186Secretaries' CT171  
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Office File P5610877  
CT.115.02

1<sup>st</sup> April 1936

Chancellor regarding the application of the so called Embargo, an official announcement as to the personnel of the Committee, its functions and terms of reference would be made in the near future. The Deputy Governor had accepted an invitation to serve on the Committee, of which Lord Hunslet would act as Chairman.

~~10827~~  
CT 84  
CT 95

7. With reference to Minutes of the 1<sup>st</sup> January and earlier, he had been informed by the Chancellor that discussion of the question of the revaluation of gold held in the Issue Department must for the moment be deferred.

~~10829~~  
CT 35

8. With reference to Minutes of the 15<sup>th</sup> January and earlier, he read a cable of the 25<sup>th</sup> March from the Governor of the Reserve Bank of New Zealand respecting the Reserve Bank Amendment Bill which the New Zealand Government propose to introduce early in the present Session.

Members of the  
Committee of Treasury.  
for the year 1936/7.

(Elected 2<sup>nd</sup> April 1936)

The Governor  
The Deputy Governor.

Mr. Whigham  
Mr. Shaw  
Sir Josiah Stamp

Mr. Hambro  
Sir Andrew Duncan  
Sir Edward Peacock

Lord Hunslet

Wednesday, the 8<sup>th</sup> April 1936.

Present -

The Governor  
The Deputy Governor  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymetley

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 Report of the Committee on St. Lucia's with regard to a scheme of pensions for Compositors and Linotype Operators at St. Lucia's Printing Works, whose services will be dispensed with consequent upon the adoption of new methods of preparing Deed and Books and Warrants, was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors -

- (1) Proposals for the appointment of Standing Commissioners for the current year.
- (2) Proposals for the appointment of an Executive Director 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.
- (3) That pensions be granted in accordance with the Scale and under the provisions of the Trust Deed of the Superannuation Fund to:  
 J. J. Scott, Head Gate Porter: age 65 years on the 16<sup>th</sup> April next: Service 21 years: £150:9:- a year from the 1<sup>st</sup> April next inclusive.  
 William Oram, a Painter in the Works Department: age 66 years: Service 22 years: £68:19:- a year from the 10<sup>th</sup> April next inclusive.

(4) That permission be granted to the Banco de la Republica Oriental del Uruguay to open an account in the Drawing Office.

The Governor acquainted the Committee of the following matters -



8<sup>th</sup> April 1926.~~1861~~

CT 192. (1)

(1) 2 and 2 assets Ltd.

With reference to Minutes of the 10<sup>th</sup> July 1925 he had nominated Mr. Bruce Gardner as Chairman of the Company in succession to General Sawney who had agreed to be retired of this Office.

~~1734~~

CT 90

(2) With reference to Minutes of the 25<sup>th</sup> March, at a Meeting of the Committee of London Clearing Bankers on the 2<sup>nd</sup> April Mr. Pease was elected Chairman and Mr. Campbell Deputy Chairman for the ensuing year. At the same time a narrative of the arrangements for such elections was foreshadowed and it was placed on record that the present appointments had reference only to that year and implied no commitments beyond that period, either on the part of the Committee or of the Members accepting office.

~~179~~

CT 172

(3) Special Areas - Provision of Credit for Small Undertakings.

He read the Minute of the 5<sup>th</sup> February regarding the provision of the capital of the suggested Company and a letter of the 3<sup>rd</sup> March from the Chancellor stating that he intended to mention the proposals in the Budget speech: it was anticipated that legislation to implement the Treasury guarantees would be put through not later than the end of June.

The Governor therefore proposes to proceed with the necessary arrangements and with such assurance of capital as will enable the Chancellor to carry out his intention.

CT 100 ~~1848~~CT 100 02 (~~44~~)CT 100 05 (~~25~~)(4) Bank for International Settlements.

With reference to the Minute of the 1<sup>st</sup> April informal agreement had been reached at the April Meeting of the Governors upon the following points -

The net profits of the year should be declared as £2,250,000

The usual 8% dividend should be paid this year without drawing upon the Dividend Reserve.

The Treasuries and the Swiss Government should be approached as to an alteration of Article 52 (b) and (c) of the Statutes.

The Bank of France to offer to buy in the Shares of the French Tranche and a syndicate to be formed to offer to purchase through the National Bank of Belgium the Shares of the

Belgian

8<sup>th</sup> April 1936.

Belgian Branch in the hands of the public. No steps to be taken as to the Shares in American hands.

A reduction in the remuneration and allowances of Members of the Board and in the salaries of the management and of the Senior Members of the Staff.

CT100-01  
CT100-03

LB 78  
(H)  
CT100-03  
CT100-04

With reference to the Minute of the 19<sup>th</sup> June 1935 Mr. A.H. Forster had resigned from the B.I.S. as from a date in June next. The President was anxious that this country should continue to be represented on the Management and the Governor asked the Committee to consider during the next few months the question of Mr. Forster's successor.

The Governor proposes to reappoint Sir O.E. Nisimyer as the second Director for the ensuing year.

LB 78  
CT100-01 (H)

Wednesday, the 15<sup>th</sup> April 1936.

Present:-

The Governor  
The Deputy Governor  
Mr. Hambro  
Sir Edward Peacock.

The minutes of the previous 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 following were submitted:-

1. The fortnightly letter to Dominion Central Banks.
2. Draft Minutes of the April Meeting of the Board of the Bank for International Settlements.

The Weekly Reports on Central Banks were held over until next week.

The Governor acquainted the Committee of the following matters:-

1. Australia

He referred to the minute of the 25<sup>th</sup> March and

LA 54  
CT 4.01

15<sup>th</sup> April 1936

the impending visit of Sir Laude heading to this country. For political reasons there would appear to be small prospect of the Austrians being dissuaded from issuing a loan in order to meet their present difficulties.

+ 795

CT 118  
CT 117.01

2. He laid before the Committee a Note of the 11<sup>th</sup> April regarding dealings in foreign exchange for account of approved Central Banks.

+ 1026

CT 15.

3. Roumania

With reference to the minutes of the 13<sup>th</sup> December 1935 representatives of His Government, accompanied by two members of the Bank's Staff as technical advisers, are shortly proceeding to Bucharest with the object of discussing the present position with the Roumanian Government. In the light of past experience it is doubtful whether a clearing can be avoided.

Wednesday, the 22<sup>nd</sup> April 1936

Present:-

The Governor

Mr Whigham

Mr Shaw

Mr Hambro

Sir Andrew Duncan

Sir Edward Leacock

Lord Hymond

The minutes of the previous 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.

It was agreed to recommend to the Court of Directors that a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

M. M. Sydenham, a Permanent Woman Clerk: age 28 years; Service 10 years: who in the opinion of the Bank Medical Officer is unfit for further service: £160 a year from the 21<sup>st</sup> April next inclusive.

The Governor acquainted the Committee of the following matters:-

1. With



22<sup>nd</sup> April 1936.~~172~~  
CT 32173  
~~172~~  
CT 39

1. With reference to the minutes of the 12<sup>th</sup> February and earlier, he read a letter of the 15<sup>th</sup> April from the Secretary of State for India regarding the report received from Sir D.E. Munnings on the financial enquiry which he has recently conducted in India.

2. The Royal Institute of International Affairs are forming a British group to attend the unofficial conference of the Institute of Pacific Relations to be held in California next August. He had been asked to suggest representatives from the City and, having consulted with the Chancellor, proposes to try to find one or two suitable men.

Wednesday, the 29<sup>th</sup> April 1936.Present -

The Governor

The Deputy Governor

Mr. Whigham

Mr. Shaw

Sir Josiah Stamp

Sir Andrew Duncan

Sir Edward Peacock

Lord Alington

The Minutes of the last Meeting were read and agreed.

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

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

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 March.

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. Staff Committee -
  - (a) Minute recommending appointments, etc.
  - (b) Report of payments made during the quarter, etc.
  - (c) Report recommending the election of Probationary male clerks to the Permanent Staff.
3. Committee on S. Luke's -
  - (a) Minute recommending appointments, etc.
  - (b) Report regarding designs for alterations of 1/1 and 10/- notes.

1650  
CT 84.04

29 April 1936

1650  
CT 84-04

In connection with the last-named Report Mr. Whitworth attended and informed the Committee that the designs had been prepared at the cost and with the knowledge and approval of His Majesty's Treasury; in their preparation careful consideration had been given to the suggestions put forward by the Royal Mint Advisory Committee when the designs for the present issue of £1 and 10/- Notes were submitted to them in 1927.

The question of submitting the new designs to an outside body was again discussed and it was agreed that no action is taken.

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 -

W. B. C. R. Kromig Ryan, a Cashier: age 65 years on the 29<sup>th</sup> May next: service 46 years: £590.13:- a year from the 30<sup>th</sup> May next inclusive.

H. W. Kelly, a Grade I Division 1 Clerk in the 5<sup>th</sup> 9. Mansfield Office: age 61 years: service 41 years: £516.13.6 a year from the 1<sup>st</sup> June next inclusive.

M. C. Sachdevall, a Grade I Division 2 Woman Clerk: age 50 years on the 27<sup>th</sup> May next: service 31 years: £183 a year from the 28<sup>th</sup> May next inclusive.

E. J. Morris, an Auxiliary Male Clerk: age 65 years on the 3<sup>rd</sup> May next: service 19 years: £171 a year from the 4<sup>th</sup> May next inclusive.

J. E. Cholera, a House Porter and Watchman at the Liverpool Branch: age 65 years on the 10<sup>th</sup> May next: service 16 years: £83.12:- a year from the 11<sup>th</sup> May next inclusive.

(b) That Mr. Bernard be appointed a member of the Committee on St. Luke's in the room of Mr. Staddon, who has expressed a wish to be relieved of this duty, owing to prior commitments which preclude his regular attendance at Meetings.

The Governor acquainted the Committee of the following matters -

1646  
CT. 192.02

1 International Paper and Paper Co. of Newfoundland

With reference to minutes of the 9<sup>th</sup> October 1935 and earlier, he had, in concurrence with the Treasury, arranged with Mr.

Frederic Taylor

29 April 1936.

Mr. Slater Taylor that he should receive for three years from the 1<sup>st</sup> September next, in consideration of the extra time he was prepared to give to the affairs of the Company a retainer at the rate of £2,500 a year, and in addition £500 yearly towards expenses, over and above any amounts received from the Company.

In view of the secret agreement with the Treasury that half this total of £3,000 a year should be borne by them, it was agreed that the payment, which will cancel the present arrangement between The S.M.S. and Mr. Slater Taylor, should be made by the Bank.

The concurrence of the Newfoundland Government had been obtained to Mr. Slater Taylor's suggestion that they should appoint Mr. C. J. Heward, K.C., of Montreal as their second Director on the Board.

The Governor laid before the Committee correspondence with the Treasury and with Mr. Slater Taylor in regard to these matters.

1-26-54  
CT 4-01

## 2. Australia

With reference to minutes of the 15<sup>th</sup> April and earlier, he had discussed the position with Sir Claude Brading. Although the latest news from Australia indicated some improvement, it appeared that assistance in one form or another would be required towards the end of the season to meet their exchange requirements.

1-29-  
CT 172

## 3. Special Areas Reconstruction Association Ltd.

With reference to minutes of the 8<sup>th</sup> April and earlier, he proposed in agreement with the Chancellor to endeavour to obtain Lord Forster's consent to act as Chairman of the Board. The Committee concurred.

## 4. Clearings

In view of the discussions which were proceeding with regard to possible clearing agreements with Rumania, Turkey and Italy, he asked the Committee to bear in mind the grave damage already inflicted on banking interests in this country by the Anglo-Spanish agreement. All such agreements tended to put current financial and credit business into a standstill and receptors were not in a position to add to their burdens in this respect.

CT 15 Rumania: 1-26-54  
CT 26 Turkey: 1-26-54  
CT 30 Italy: 1-26-54  
CT 17 Spain: 1-26-54



29<sup>th</sup> April 1936.

LC60  
CT 18.1.01

76

## 5. Lancashire Cotton Corporation

A suggested scheme of reconstruction which appeared to afford a useful basis for discussion had been prepared by the Corporation and was to be examined by an informal Committee next week. Under the scheme, new debentures to a less amount would be issued at a lower rate of interest and the Income Debenture Stock and Share Capital would be largely reduced.

Provided that an agreement with the debenture holders could be made on the lines of the scheme, the Bank would be prepared to subscribe the new money, say £250,000, needed for the working capital and would take over from the Sun Insurance Office any issue made in respect of the interest on the 1<sup>st</sup> mortgage Debenture Stock paid under the terms of the guarantee.

Wednesday, the 6<sup>th</sup> May 1936.

### Present -

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Shaw  
Mr Hambro  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymnley

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.

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

1. Quarterly Report of the Staff Committee on the Accountants, Cashiers and Secretary's departments, etc.
2. Regulations as revised for the Internal Administration of the Bank, Head Office and Branches

The Governor acquainted the Committee of the following matters -

1. With reference to minutes of the 26<sup>th</sup> February he read his letter of the 5<sup>th</sup> May to Sir Edward Bratty explaining that if the offer of an appointment in Canada were made, Mr Jackson would not, on general lines,

1757  
Office File  
P.55

6<sup>th</sup> May 1936~~HE 16~~

CT 45

CT 90.02

CT 113.03

lens, consider having the Bank so long as his services here were of value.

2. With reference to minutes of the 24<sup>th</sup> July 1935 the Governor read the Chancellor's reply to questions in the House of Commons on the 30<sup>th</sup> April regarding the granting of short-term credits to Germany outside the Standstill Agreement. In furtherance of the Chancellor's wish that the granting of certain of such credits be discouraged, the Governor proposes to bring the question before the Bankers at their Meeting on the 7<sup>th</sup> May and to instruct the Discount Office to approach informally those Houses who would be most likely to undertake such business. At his request the Chairman of the Accepting Houses Committee had drawn the attention of their members to the Chancellor's reply.

~~187~~

CT 172

### 3. Special Areas Reconstruction Association Ltd.

With reference to minutes of the 29<sup>th</sup> April, the Chairmanship had been accepted by Lord Portal.

~~188~~

Not extended

### 4. The Defence Forces

In view of the special efforts now being made to obtain recruits for the auxiliary forces, the Bank recently held a "Meeting of Managers", at which the Bank were represented, to decide upon a common policy in regard to Special Leave for training their recommendations which involve a minimum allowance of 7 days' special leave is on a rather more generous scale than that at present in force here. The recommendations will be discussed at the Bankers' Meeting on the 7<sup>th</sup> May, when the Governor proposes, with the Committee's concurrence, to say that the Bank will be prepared to come into line with the other Banks, although the question will not be brought before the Staff Committee until later in the week.

~~LB 78~~

CT 100.02 (21/10/35)

CT 100.05

### 5. Bank for International Settlements

(a) With reference to minutes of the 8<sup>th</sup> April and earlier as to discussions at Basle regarding the future resources, the dividend policy and the ownership of various branches, he read his Secret and Personal letter to Dr. Trip in Amsterdam regarding the moral grounds for giving warning, in one way or another, of the Board's intentions to those members of the original American

6<sup>th</sup> May 1936

group who are still holding shares of the Bank for International Settlements.

~~1873~~~~(18)~~~~1873~~~~1873~~

CT 100 03

CT 100 04

(b) With reference to minutes of the 8<sup>th</sup> April, he proposes to keep open until the end of the year the managerial vacancy which will be created by Mr. Porter's retirement, as well as the already existing vacancy on the Clerical Staff. In order that essential contacts may be continued pending the filling of one or both posts, the Bank will, at their own expense, maintain a non-official representative at Basel.

Present:-

The Governor

The Deputy Governor

Mr. Whigham

Mr. Shaw

Sir Josiah Stamp

Mr. Hambro

Sir Andrew Duncan

Lord Hirdley

Wednesday, the 13<sup>th</sup> May 1936

The Minutes of the last Meeting were read and agreed.

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

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

The following were submitted:-

Weekly Reports on Central Banks

Fortnightly Letter to Dominion Central Banks

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

An appeal for donations to the Building Scheme of the University of London was laid before the Committee. In view of the small amounts which the Clearing Banks had agreed to subscribe as compared with the sums already forthcoming from Trade and Industry, consideration of the appeal was deferred until the Autumn.

The Governor acquainted the Committee of the following matters:-

~~1873~~

CT 181 01

1. Lancashire Cotton Corporation

With reference to minutes of the 29<sup>th</sup> April the suggested scheme of reconstruction put forward by the Corporation had been approved in principle by the informal Committee.



13<sup>th</sup> May 1921+39.  
CT 11722. Special Areas Reconstruction Association Ltd.

With reference to the Minute of the 5<sup>th</sup> February, the Clearing Banks had agreed to take between them 60,000 of the 100,000 3% Non-Cumulative Ordinary £1 Shares of the Company.

1E15  
CT 45  
CT 90.02

3. With reference to the Minute of the 6<sup>th</sup> May, he laid before the Committee a Minute of the Meeting of the Committee of London Clearing Bankers of the 7<sup>th</sup> May stating that assurances had been given that none of the Clearing Banks had granted recent credits or advances to German borrowers outside the Standstill Agreement.

+378  
CT 100. (27)4. Bank for International Settlements.

There was nothing of particular interest to report in regard to the Meetings held this week in Basle. For the Annual General Meeting there were present representatives from most of the European Central Banks and the Governor outlined the impressions he had received as to the situation in Europe generally.

Wednesday, the 20<sup>th</sup> May 1936

Present -

A full Committee

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 April and on Special Advances.
3. Draft minutes of the May meeting of the Board of the Bank for International Settlements.

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

1. Quarterly Report of the Audit Committee.
2. Minute of the Committee on Advances and Discounts recommending the opening of a Discount Account.
3. Accounts of the Superannuation Fund for the year ended the 29<sup>th</sup> February 1936.

It was agreed to recommend to the Court of Directors -

cf 64.

(a) that Mr C. J. Hambro and Mr K. D. Soppitt be appointed Trustees of the Superannuation Fund in the room of Mr W. H. Egg and Mr L. J. Callinus who wish to relinquish this duty and that the requisite Deed of Appointment which, in the opinion of Messrs Prestfields, Lease and Manns, is in proper form, be sealed with the Common Seal of the Bank.

(b) that a pension be granted during pleasure and under the terms of an Order of Court of the 9<sup>th</sup> April 1936 to -

Alfred Green, a compositor at J. Lusk's Printing Works age 64 years - service 18 years - £78-6-6 a year from the 31<sup>st</sup> May next inclusive.

The Governor acquainted the Committee of the following matters -

20<sup>th</sup> May 1936.

matters:-

~~1799~~  
~~1894~~  
CT 95

(1) He read his letter of the 19<sup>th</sup> May to the Governor of the Bank of France regarding the steps taken here to support the measures recently initiated in Paris to restrict dealings in Gold coin at a premium.

~~1876~~  
CT 45

(2) Following on the remarks made regarding credits supplied to Germany "for the purpose of armaments" by Mr Jess-Smith in the course of a debate in the House of Commons on the 6<sup>th</sup> May, he has written suggesting that he might be able to supplement Mr Jess-Smith's information on the subject. The Governor gave the Committee an outline of his private talk with Mr Jess-Smith on the 15<sup>th</sup> May.

~~1858~~  
CT 6.

(3) He laid before the Committee telegrams which had passed between the Bank and the Bank of India regarding the recent change in the Governorship.

~~1736~~  
CT 139.

(4) With reference to Minutes of the 22<sup>nd</sup> April, Mr John Lawson of Balfour, Williamson and Co. Ltd. had accepted an invitation from the Royal Institute of International Affairs to attend the forthcoming conference in California of the Institute of Pacific Relations.

~~179~~  
CT 172.

(5) Special Areas Reconstruction Association Ltd.

(a) With reference to the Minutes of the 6<sup>th</sup> May and earlier, he had, in agreement with Lord Forster, obtained the consent of Mr J. S. James, Mr E. de Siron, Mr S. Hodges and Mr J. S. Weir to sit on the Board: if desired, Mr Skinner would act as alternate to Mr Weir. He was waiting to hear from Mr S. A. Beale to whom an invitation had also been extended.

~~1740~~

Mr H. S. Ditt, at present Managing Director of the Central Marine Engine Works of William Gray and Co. Ltd. at West Hartlepool, was prepared to accept an engagement as Managing Director of the Company at a salary of £5000 a year for seven years. It was deemed impracticable for the Company to guarantee an engagement for so long a period at so high a salary and the Governor therefore proposes with the Committee's approval that the Bank should undertake to pay or commute



20<sup>th</sup> May 1936.

part of the £5,000 for seven years on the understanding that during this period they would have the second and thereafter the first call on Mr. Gibb's time.

179  
CT 172

(b) With reference to the Minutes of the 8<sup>th</sup> April and earlier, he read his letter of the 17<sup>th</sup> May to Sir Arthur Wooley, who, following on unexpected and largely personal difficulties which had arisen, had undertaken to use the machinery of the British Insurance Association with a view to obtaining subscriptions to the £900,000 Preference Shares of the Special Areas Reconstruction Association Ltd.

Wednesday, the 27<sup>th</sup> May 1936.

Present

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Shaw  
Sir Josiah Stamp  
Sir Edward Peacock

The Minutes of the last Meeting were read and agreed.

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

It was agreed that no alteration is 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 of Directors that a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

A. G. Johnston      Agent at the Manchester Branch: age 63  
years: since 45 years £1,644.9/- a year  
from the 1<sup>st</sup> September next inclusive.

The Governor acquainted the Committee of the following matters:-

184  
CT 81  
CT 95

1. With reference to minutes of the 18<sup>th</sup> October 1935, he laid before the Committee a list of the private telephone lines installed for the use of the Foreign Exchange Section. The position as regards dealings in gold now makes it advisable that the Bank should be in direct communication with this Market and he therefore proposes

with

27<sup>th</sup> May 1936.

with the Committee's concurrence that a private line be installed with Messrs Rothschild's Bullion Room in view of the fact that the gold fixing takes place on their premises: this would in no way imply that Messrs Rothschild's were regarded as being in a privileged position vis-à-vis the Bank.

~~1858~~  
CT. 45.01

2. Mr Sir Meulen had come to see him on the 22<sup>nd</sup> May at the request of Mr Dean Jay who wished to resign his Trusteeship of the Davis Loan. The Governor had confirmed Mr Sir Meulen's view that in the present circumstances none of the Trustees should resign if such a course could possibly be avoided.

~~1857~~  
CT. 4.01

3. Australia. With reference to Minutes of the 29<sup>th</sup> April and earlier arrangements were being made for a 'conversion' issue of £16/17 million in the form of medium-term bonds on the London Market in the near future. The question of a long-dated issue on this market to provide sterling for the Commonwealth Bank could not therefore arise for several months.

In order to maintain their sterling balances, however, the Commonwealth Bank would very likely need in the late Summer a short banking advance of some £4/5 million.

The Committee agreed that the Bank should afford facilities for such an advance against such Securities as were available.

~~1856~~  
CT 139

CT 119.02 ~~1857~~

4. The Council of the Royal Institute of International Affairs wishes to produce 'an authoritative work on Imperial problems' before the Meeting of the next Imperial Conference. To supervise the preparation of this the Council has appointed a Study Group of which Mr Jackson has been invited to become a member. They not only wish to make use of his Canadian experience but would also refer financial and central banking questions to him.

While the Governor desires generally to give the Council such unofficial assistance as is possible, he considers it inadvisable that a representative of the Bank should be so closely identified with a work of this nature as membership of the group would imply.

27<sup>th</sup> May 1936

~~1741~~  
CT 45

5.

The Governor outlined a scheme which had been elaborated to him by Lord Bessard for issuing securities of a British company in this country to be secured on assets properly voted in a German company there for gradual realisation and transfer home by means of "Additional Exports." The Governor explained why he had advised Lord Bessard against the scheme.

~~1745~~  
CT 50 08

b.

With reference to the Minute of the 19<sup>th</sup> February 1936 regarding audits by Messrs. Deloitte of the Accounts of the Country Bankers, he laid before the Committee the Bank's letter of the 19<sup>th</sup> May to Messrs. Deloitte agreeing with their suggestion that the visits might be made at any time during the Bank's half-year.

Wednesday, the 3<sup>rd</sup> June 1936

Present:-

The Governor  
Mr. Whigham  
Sir Josiah Stamp  
Sir Edward Pearce  
Lord Hyndley

The Minutes of the last Meeting were read and agreed.

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

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

The Weekly Reports on Central Banks were submitted.

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

Sir Alan Anderson (Chairman)

Mr. Stadsone

Mr. Martin

Mr. Cadbury

Mr. Walker

Mr. Dalton

The Governor acquainted the Committee of the following matters:-

1.

Fredrick Hutch and Co

With reference to the  
Minutes

~~1745~~  
CT 134



3<sup>rd</sup> June 1936

CT 134

Minutes of the 11<sup>th</sup> March and earlier, he said that part of the cost of the liquidation would consist of certain payments to the staff and of salaries to the two Directors and others of the old firm in respect of their services during the liquidation period. The Committee agreed with the proposals which the Governor had outlined.

CT 113.02 1772

1878

## 2. (a) Bills secured on Film Productions. The

financing of film productions had until now been carried out by the clearing banks, the underlying security for their advances being insurance policies, but proposals that this financing might in future be done by means of acceptance credits on the same security had lately come to the Governor's notice and he would suggest that such bills should be regarded as ineligible for discount at the Bank. The Committee agreed with this view.

CT 113.02 1772

## (b) Instalment Bills.

The Governor read the Order of Court of the 20<sup>th</sup> March 1930 under which certain types of "Finance" Bills were to be considered eligible for discount subject to a limitation of 20% of bills submitted. Instalment Bills which were thus included have since that date deteriorated as a result of a new technique which has grown up in the instalment business. The Committee agreed with the Governor's suggestion that it was desirable that these bills should continue to be regarded as eligible for discount when drawn on recognised accepting houses by any reputable company but should in future be subject to a limitation of 10% of bills submitted. No alteration should be made in the limitation imposed by the above-mentioned order of Court so far as the other types of bills mentioned therein were concerned.

The Governor stated that these questions would be referred to the Committee on Advances and Discounts for their consideration and he thought it advisable that the position both as regards Film Production and Instalment Bills should be reconsidered a year hence.

Wednesday, the 10<sup>th</sup> June 1936.

Present:-

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Shaw  
Sir Josiah Stamp.  
Sir Edward Leacock  
Lord Asprey.

The Minutes of the last Meeting were read and agreed.

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

It was agreed that no alterations 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 May.

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 -  
H. J. Jarman, an Auxiliary Woman Clerk age 47 years: Service 17 years: £68 a year from the 1<sup>st</sup> July next inclusive.

(b) Pensions be granted during pleasure and under the terms of an Order of Court of the 9<sup>th</sup> April 1936 to the following members of the Mechanic Staff at St. James Printing Works -

Halter Stewart, a Linotype Operator: age 68 years: Service 17 years: £92-18-6 a year from the 28<sup>th</sup> June next inclusive.  
J. H. Stroud, a Linotype Operator: age 65 years: Service 18 years: £90-4-8 a year from the 28<sup>th</sup> June next inclusive.  
E. J. Power, a Compositor: age 68 years: Service 17 years: £76-6-8 a year from the 28<sup>th</sup> June next inclusive.  
C. J. Clements, a Compositor: age 68 years: Service 15 years: £61-2-8 a year from the 28<sup>th</sup> June next inclusive.  
A. J. Tolman, a Compositor: age 51 years: Service 16 years: £39-10- a year from the 28<sup>th</sup> June next inclusive.  
William Boyd, a Compositor: age 69 years: Service 17 years: £77-7- a year from the 12<sup>th</sup> July next inclusive.  
J. S. Locke, a Linotype Operator: age 67 years: Service 17 years: £89-7-6 a year from the 17<sup>th</sup> July next inclusive.

10<sup>th</sup> June 1936

In response to an appeal from the Lord Mayor, it was agreed to recommend to the Court of Directors that a donation of not more than £5,000 be made to the King George V. National Memorial Fund, the precise amount to be determined by the Governor after consultation with the clearing banks as to the amounts of their subscriptions.

The Governor acquainted the Committee of the following matter -

CT 41 163

arising out of his recent visit to Basel and with reference to the Minutes of the 11<sup>th</sup> October 1933 it is the present intention of those concerned that the dollar credit to the National Bank of Hungary which falls due for repayment in October shall be renewed thus for a further nine months, at the end of which this and certain short-term Hungarian debts would be the subject of further negotiation in the light of existing circumstances.

Wednesday, the 17<sup>th</sup> June 1936

Present -

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Shaw  
Sir Josiah Stamp  
Sir Edward Peacock

The 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 following were submitted:-

1. Weekly Reports on Central Banks.
2. Draft Minutes of the June Meeting of the Board of the Bank for International Settlements.

It was agreed to recommend to the Court of Directors that the Agent of the Plymouth Branch be authorised to make a donation of 10 guineas in response to an appeal on behalf of the Prince of Wales' Hospital at Plymouth.

The following were submitted and referred to



17<sup>th</sup> June 1936

the Court of Directors:-

1. Minute of the Staff Committee recommending appointments, etc.
2. Report of the Staff Committee with recommendations relating to pensions and allowances,
3. Minute of the Committee on S. Lukis recommending an appointment
4. Minute of the Committee on S. Lukis recommending the granting of three gratuities.

~~CT 32~~  
CT 56

In regard to this Minute the Governor referred to the urgent and secret printing recently undertaken by S. Lukis at the request of the India Office and suggested that the letter of the 27<sup>th</sup> November last from the Secretary of State for India fully justified the Committee in agreeing to the recommendation of the Committee on S. Lukis.

It was agreed to recommend to the Court of Directors that an allowance 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 2<sup>nd</sup> Class Clerk in the Accountants Bank Note Office £50 a year from the 1<sup>st</sup> June 1936 inclusive.

The Governor acquainted the Committee of the following matters:-

~~CT 18~~  
CT 18

1. With reference to the Minutes of the 26<sup>th</sup> July 1935 regarding Mr. Powell's temporary engagement with the Central Bank of Argentina, he suggested that the Bank should allow Mr. Powell's term to be extended for, say, another year should the Bank of Argentina and Mr. Powell so desire. He mentioned that Mr. Powell had done very good work in Argentina and had recently received and accepted an invitation from the Central Bank of Uruguay to pay them a short visit.

~~CT 39.03~~  
CT 39.03

2. With reference to the Minutes of the 12<sup>th</sup> June 1935, he said that Mr. Hoque, who had accompanied Sir Frederick Leith-Ross on his financial mission to China, had been asked to remain there for one or two months after Sir Frederick's return to England. He had agreed to this proposal provided it was the wish of Mr. Rogers as well as of our own and of the Chinese Governments.

~~CT 191~~  
CT 191

3. With reference to the Minutes of the 18<sup>th</sup> December last, he had heard that an increasing number of persons interested in Pan were pressing to secure Mr. Housson's services in our capacity or another

17 June 1936

another after his release from prison on the grounds of his exceptional knowledge and powers of negotiation. The Committee agreed with the Governor that in no circumstances should the Bank give support or indeed have any contact with any concern with which, directly or indirectly, Mr. Houston's name might be associated in the future.

~~L 176 b.~~  
CT 45

#### 4. German Short Term Credits outside the Standstill.

With reference to the Minutes of the 20<sup>th</sup> May and earlier, the Governor informed the Committee that, so far as could be ascertained, the total of these credits granted by the Clearing Banks and principal financial houses amounted to £1,165,000, of which the greater portion was in connection with German exports to British Dominions and Colonies. It was also of interest to note that of this total approximately £1,000,000 had been arranged in 1934 or earlier.

~~L 744~~  
CT 156

#### 5. The British Council.

He had received a visit from Lord Buxton Percy who was seeking his advice as to the possibility of obtaining financial support from the City, to supplement that already received from public funds, to enable the British Council to extend their work of propaganda abroad. The need for this work was no doubt great but he had advised Lord Buxton that there was little hope at present of either the Clearing Banks or the City in general supporting this object to any great extent.

~~L 176 b.~~  
(1)

CT 192

#### 6. Armstrong Whitworth and Co. Ltd.

Arrangements which the Bank had made from time to time in this connection were primarily designed to enable this Company to continue as a going concern in the interests of employment. Though recently the Company had existed mainly on commercial orders it seems probable that it may in the future develop more and more into an "armament" firm. The Committee agreed to the principle that the Bank should take steps to dispose of their controlling interest on any terms as soon as possible but noted that certain points had arisen which might delay its immediate application.

~~L 744~~  
CT 172

#### 7. Special Areas Reconstruction Association Ltd.

With reference to the Minutes of the 20<sup>th</sup> May and earlier, he said that practically all the preference shares had now been taken up

17<sup>th</sup> June 1936

and that, all the preliminary arrangements having been completed, the Company would be registered on the 19<sup>th</sup> instant.

+746.  
CT 100

8. It had been thought desirable recently to withdraw the French francs which had been on deposit with the Bank for International Settlements on behalf of the Exchange Equalisation Account but, in place of this, the Bank had arranged for a Sterling deposit account to be opened on their own behalf, withdrawable at short notice.

1546.  
CT 45 01  
+ CT 45

9. Anglo-German Payments Agreement. With reference to the Minutes of the 15<sup>th</sup> January, he read a letter which he had written to Dr. Hülse after consultation with H.M. Treasury suggesting that the provisions relating to non-Reich loans, which under the Agreement expire on the 30<sup>th</sup> June, might be extended for a period of 6 or 12 months.

CT 41 1630  
CT 45 1516  
CT 113.03 1545

10. German and Hungarian Standstill Bills. With reference to the Minutes of the 26<sup>th</sup> February last, he reminded the Committee that he had then expressed the hope that it would be possible before long to eliminate Hungarian Standstill Bills from the Market. He had, however, reason to believe that certain houses would be seriously affected if this course were pursued. To enable him to obtain fuller information in connection with commitments and provisions under the German and Hungarian Standstill Agreements, he proposes now to obtain from those concerned as receptors statements in a form prepared by Messrs. Deloitte, a specimen of which he laid before the Committee. At the end of the year he proposes to obtain further information by means of statements based on the formal Balance Sheets.

Wednesday, the 24<sup>th</sup> June 1936

Present.

A full Committee

The 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 following were submitted:-

(1) Weekly



24<sup>th</sup> June 1936

1. Weekly Reports on Central Banks
2. fortnightly letters to Dominion Central Banks.

The Governor acquainted the Committee of the following matters:-

+8+2.

CT 164

1. With reference to Minutes of the 22<sup>nd</sup> January and earlier, arrangements had now been made in agreement with the Treasury for the liquidation of the outstanding balance of the advance to the Oceanic Steam Navigation Company Ltd, amounting to £102,709 - 11<sup>d</sup>. The repayment would be effected over a period of about 12 months, during which time interest will be reduced to 2%. The interest held in reserve pending a final settlement amounted to over £60,000 and the Bank would now be prepared to make some concession as regards the interest payable at the higher rate on the understanding that any sum so returned would be used for the Company's Staff pensions.

+7+5.

CT 191

2. With reference to Minutes of the 1<sup>st</sup> June and earlier, there was in the tin market, in addition to the pressure for the reinstatement of Mr. Housson, an increasing movement to end the Restriction Scheme, the continuation of which after the 31<sup>st</sup> December next was at the present time the subject of <sup>ation</sup> internal negotiation.

It seemed obvious therefore that it was advisable now to appoint a successor to Mr. Housson and the Governor read a note of his private talk on the 19<sup>th</sup> June with Sir Harry Peat, Chairman of the Tin Producers Association, whom he had put forward for Sir Harry Peat's consideration the name of Mr. W.M. Kirkpatrick, M.P.

1740

T

+79

CT 172

3. Special Areas Reconstruction Association Ltd with reference to the Minute of the 20<sup>th</sup> May, it had now been decided that the Company should pay Mr. M.S. Gibb, as Managing Director, a salary of £2,500 a year for a term of seven years; the Bank had agreed to commute the balance of £1,500 a year for seven years by the payment of a lump sum of £9,750.

The Governor read letters to and from Lord Portal and Mr. Gibb approving these arrangements.

26<sup>th</sup> June 1936+233.  
CT. 122.1. Anglo-South American Bank.

With reference to Minutes of the 8<sup>th</sup> January and earlier, an informal Committee had been appointed on the 26<sup>th</sup> February by the "Pool" to examine the position generally and in particular an offer received from the Bank of London and South America.

The Governor outlined the terms of this amended offer which, subject to certain guarantees and conditions, this informal Committee had recommended for acceptance in a Report dated the 12<sup>th</sup> June. The Report was considered at a meeting of the "Pool" on the 17<sup>th</sup> June when steps were taken to implement the proposals so far as Chilean wire concerned.

To avoid any difficulty which might arise at this stage from a conflict of interests between the Anglo-South American Bank and Chilean, Sir Bertram Home and Mr Wells had been advised to resign from the Board of Chilean, and Mr Lidbury had agreed to accept the Chairmanship for the time being.

+E88  
CT 30+213  
CT 26.

5. With reference to Minutes of the 29<sup>th</sup> April, he read his letter of the 22<sup>nd</sup> June to the Treasury regarding the setting up of Clearing Offices for Italy and Turkey and the likely effect on international trade and finance.

+76  
CT 39.03

6. With reference to Minutes of the 17<sup>th</sup> June, it now appeared probable that Mr Rogers would be invited by the Chinese to remain in China to complete the work he has been doing as a member of the Loch-Koss mission - this may involve a stay of six months or longer. The Central Bank Charter will probably be passed on the 5<sup>th</sup> July, after which date he may return to this country for a short holiday.

The Governor read the Bank's letter of the 23<sup>rd</sup> June to the Treasury agreeing to such a course provided that it met with the approval of His Majesty's Government and was in accordance with Mr Rogers' own wishes.

+E29  
CT 180

7. With reference to the minute of the 6<sup>th</sup> December 1935, agreement had now been reached whereby the Bank would place at the disposal of the shareholders of the United Dominions Trust 300,000 of their holding of 500,000 4½% Preference Shares of that Company at par, plus accrued interest and expenses. Messrs Freshfields and the Company's Solicitors were now considering the arrangements for the transfer.

CT 90.04

+747

8. The London Foreign Exchange Market.

In 1931 a  
meeting

24<sup>th</sup> June 1936

meeting of Foreign Exchange Managers from practically all the interested Banks elected an informal Committee to deal with the application of restrictions. Since that date this unofficial body had continued to act but its position was becoming more and more difficult as its authority was challenged, mainly by the speculative demands in the Market. The Governor referred to the continuing need of some such organisation and said that steps were therefore being taken to make the Committee a responsible and probably more representative body.

175  
CT 50

9. He asked the Committee to consider whether some change of policy was not called for considering the amount of the Bank's reserves and the fact that they were being constantly augmented despite the payments already of a sum approaching £2½ million to the Superannuation Fund.

175  
CT 50

Surplus profits could be dealt with in the following ways -

- (a) An increase in the dividend.
- (b) A reduction in the charge for Management of Government Stocks
- (c) An ex gratia payment to His Majesty's Government.
- (d) A continuation of the present policy of increasing the Reserves.

CT 50 03

The Governor added that for his part, in order to ease the Exchange Equalisation Account, he was in favour of a purchase at current prices of gold from that account, the holding to appear amongst the "unproductive Securities" and the cost to be written down from Reserves.

1712  
CT 44

10. He proposed to leave for New York on the 10<sup>th</sup> July and, if his present plans mature, will visit Mr. Eccles and Mr. Morgenthau in Washington before proceeding to Bar Harbour. He hopes to see the Governor of the Bank of Canada in Montreal or Quebec on his way home and will arrive back in London on the 6<sup>th</sup> August.



Wednesday, the 1<sup>st</sup> July 1936.

Present:-

The Governor  
The Deputy Governor  
Mr Shaw  
Mr Hambro  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hynodley

The 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 alterations 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 -

1. a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -  
William Elders, an Auxiliary Rate Clerk: age 60 years. Service 17 years.  
£153 a year from the 1<sup>st</sup> October next inclusive.

2. allowances be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

Mrs	Widow of	formerly an Auxiliary Clerk, £55 a year from the 1 <sup>st</sup> June last inclusive.
Mrs	Widow of	formerly an Auxiliary Clerk: £55 a year from the 1 <sup>st</sup> June last inclusive.
Mrs	Widow of	formerly an Auxiliary Clerk: £55 a year from the 1 <sup>st</sup> June last inclusive.
Mrs	Widow of	formerly an Auxiliary Clerk: £55 a year from the 1 <sup>st</sup> June last inclusive.
Mrs	Widow of	formerly an Auxiliary Clerk: £55 a year from the 1 <sup>st</sup> June last inclusive.
Mrs	Widow of	formerly an Auxiliary Clerk: £55 a year from the 1 <sup>st</sup> June last inclusive.

The Governor acquainted the Committee of the following matters:-

1. With reference to Minutes of the 26<sup>th</sup> June and earlier, he laid before the Committee a note of the suggested procedure regarding

1 July 1936.

~~1833~~

CT 60.01 (H 248)

CT 122.

regarding the proposed sale to the Bank of London and South America of the assets of the Anglo-South American Bank.

2. With reference to Minutes of the 24<sup>th</sup> June regarding the Board of Chinit Limited, Mr Lidbury had now been elected Chairman in the place of Sir Bertram Hambly. Mr Wells had also resigned, leaving Mr Bartholomew the only other Member of the Board. The Chairman of the Westminster Bank had called on the Governor to ask that Mr Lidbury's acceptance of the Chairmanship might be regarded as of a temporary nature, leaving him free to retire without question when the Anglo-South American Bank arrangements shall have been completed.

Mr Lidbury asked that a third Director be appointed to the Board as soon as possible and, in agreement with Mr Hyde, had invited Mr Peppatt to serve. The Governor pointed out that Mr Lidbury represented the Bankers who hold some 50% of the shares and it was therefore logical that the Bank as holders of the balance should be represented. Difficulties would obviously be created if steps were taken to appoint a second representative from the Clearing Banks and the Governor, while adhering to the general principle that an Official of the Bank should not hold Directorships, was anxious in this particular instance that Mr Peppatt should join the Board for the same period and under the same conditions as Mr Lidbury had accepted the Chairmanship.

The Committee considered and agreed to recommend in due course to the Court of Directors that Mr Peppatt be requested to serve as a Director of Chinit Limited.

~~1836~~

CT 39.03.

3. China With reference to Minutes of the 24<sup>th</sup> June and earlier, he read a cable of the 29<sup>th</sup> June from Mr Rogers who had now accepted an invitation from the Minister of Finance to stay in China for three to six months, during which time his expenses would be met by the Chinese Government. Mr Rogers was leaving China for a short holiday on the 2<sup>nd</sup> July.

CT 30 + ~~1888~~

4. Italy With reference to the Minute of the 24<sup>th</sup> June, discussions at which the Treasury would be represented would shortly be taking place in Rome regarding a temporary Payments agreement to bridge the period between the removal of Sanctions and the negotiation of a definite and

1<sup>st</sup> July 1936

comprehensive agreement, the basis of which had yet to be settled. He had agreed that, provided such a visit would be welcomed by the Bank of Italy, a representative of the Bank should be in Rome at the same time to assist the Treasury representative on any technical points which might arise in discussions with the Bank of Italy.

1712.  
CT 44

5 With reference to the Minutes of the 26<sup>th</sup> June regarding the Governor's coming visit to America, Mr Harrison had been asked to arrange a visit to Washington to meet among others the Chairman of the Federal Reserve Board. Mr Harrison had replied that, in his view and that of Washington, such a visit was inadvisable and should be avoided at the present time: but, while the Governor's proposed meeting with Mr Morgenthau had thus to be abandoned, Mr Eccles was anxious to see him in New York.

It had therefore been arranged that the Governor would adhere to the original date of sailing and would spend two days in New York, and two days in Montreal or Quebec on his way home for the purpose of meeting Mr. Tugan.

See:-  
Court Minutes  
and  
Secretary's  
Private File  
SEC. 1

6 He read a letter dated the 20<sup>th</sup> June from Mr Kenneth Doohan in which he intimated that, owing to the breakdown in his health, he felt compelled to place his resignation in the hands of the Court.

It was agreed to refer the letter to the Court on the 2<sup>nd</sup> July.

CT 70.03 ~~107.05~~  
See Secretary's  
Private File.  
SEC. 7

The Governor submitted for the consideration of the Committee a statement of his personal intentions regarding his tenure of office.



Wednesday, the 8<sup>th</sup> July, 1936.

Present:-

The Governor,  
The Deputy Governor,  
Mr. Shaw,  
Sir Joseph Stamp,  
Mr. Hambro,  
Sir Andrew Duncan,  
Sir Edmund Peacock,  
Lord Hymett.

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 -

1. Weekly Reports on Central Banks.
2. Fortnightly Letter to Dominion Central Banks.

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 to -

R. J. Williams, a Grade 1 Division 1 Clerk in the Bill Office: age 60 years: service 39 years: £51b: 13: 4 a year from the 1<sup>st</sup> October next inclusive.

(b) that a pension be granted during pleasure and in accordance with the scale to -

W. J. Tigg, a Machinist at St. James's Printing Works: age 69 years: service 42 years: £184: 18: 8 a year from the 2<sup>nd</sup> August next inclusive.

(c) that allowances be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

Mrs. \_\_\_\_\_, Widow of \_\_\_\_\_ formerly an Auxiliary Clerk: £45 a year from the 1<sup>st</sup> June last inclusive.

Mrs. Alice

8<sup>th</sup> July, 1936.

Mrs. [redacted] Widow of [redacted] a Pensioner,  
formerly an Auxiliary Clerk: £60 a year from  
the 1<sup>st</sup> June last inclusive.

Mrs. [redacted] Widow of [redacted] formerly an  
Auxiliary Clerk: £45 a year from the 1<sup>st</sup> June  
last inclusive.

Mrs. [redacted], Widow of [redacted] formerly an  
Auxiliary Clerk: £55 a year from the 1<sup>st</sup> June  
last inclusive.

Mrs. [redacted] Widow of [redacted] formerly  
an Auxiliary Clerk: £60 a year from the 1<sup>st</sup>  
June last inclusive.

Mrs. [redacted] Widow of [redacted], a  
Pensioner, formerly an Auxiliary Clerk: £60 a  
year from the 1<sup>st</sup> June last inclusive.

Mrs. [redacted] Widow of [redacted] formerly  
an Auxiliary Clerk: £45 a year from the  
1<sup>st</sup> June last inclusive.

The Governor acquainted the Committee of  
the following matters -

LBH  
(1)  
ET 192

(1) With reference to the Minute of the 17<sup>th</sup> June  
as to the disposal of the Bank's controlling interest  
in Amstrangs, it had been decided at a recent  
Meeting of The Securities Management Trust that no  
definite steps could be taken until after the  
August holidays.

+ 24  
ET 192

(2) Special Areas Reconstruction Association Act  
He read Lord Portal's letter of the 6<sup>th</sup> July conveying the  
thanks of his Board to the Bank for the help  
rendered to the Company both during its formation  
and

8<sup>th</sup> July 1936 and in the initial stages of its existence.

In agreement with Lord Portal, the Governor had authorised Mr Skinner to act as alternate to Mr Evelyn Baring during July, August and September.

CT 30 1888

(3) Italy. With reference to the Minute of the 1<sup>st</sup> July, he read his telegram of the 6<sup>th</sup> July to the Governor of the Bank of Italy regarding the visit of a representative of the Bank to Rome in connection with the discussions on Anglo-Italian payments.

CT 50

1885

(4) With reference to the Minute of the 24<sup>th</sup> June, a Memorandum dated the 3<sup>rd</sup> July regarding future policy as to Reserves and Investments was laid before the Committee.

The Governor outlined the advantages to be derived from the suggested purchase of gold by the Banking Department from the Exchange Equalisation Account, subject to agreement with the Treasury, as follows -

1. It would be a great assistance to the Treasury by easing the position of the Exchange Equalisation Account; in addition, the Exchequer would be relieved of the payment of interest in respect of the Treasury Bills withdrawn from circulation.
2. The Bank's tenders for Treasury Bills would be materially reduced, leaving the Market a freer hand in determining the rate.
3. The Bank would acquire an asset of the most liquid nature, thereby increasing their liberty of action in regard to monetary policy.
4. The employment of Reserves in writing down the gold could be logically defended.

The question arose whether at some future time the Bank might be required to re-sell the gold to H.M. Government at the statutory price

on



8<sup>th</sup> July 1938

on the analogy of the Bank's power to requisition gold under the provisions of Section 11 of the Currency and Bank Note Act 1928. The Governor pointed out that the Bank would be free to dispose of the gold at any time and it was agreed that any attempt to provide against so remote a contingency would tend to create other and more serious difficulties.

The question of the non-disclosure of gold holdings as such in the Weekly Return was then discussed and it was agreed that there would be no valid objection on this score if the purchases were regarded as a temporary measure adopted in the light of existing circumstances.

The Committee thereupon agreed in principle with the proposals for the purchase of gold and decided that, if and when arrangements could be concluded with the Treasury, the Court should be informed.

The Committee further agreed that, so soon as a reliable estimate could be obtained of the cost of management of Government Stocks under the mechanised system, the question of a reduction in the Management charge should be considered.

The Governor referred to the two vacancies on the Court to be filled next Spring. In his opinion and in that of the Deputy Governor, there was urgent need for the appointment of at least two more Executive Directors. The names of two candidates were submitted and the Governor reminded the Committee that, in considering these names, regard must be had to the demands which would thereby be made on the annual sum of £30,000 placed at the disposal of the Court for the remuneration of those Members of the Court whose exclusive services might be engaged. In this connection the separate

Question

100.50  
CT 50 03

100.50  
See Secretaries

Secret File

CT 70 01  
CT 70 03

8<sup>th</sup> July 1936

question of the Succession must also be considered as it was possible that, in the future, payments to the Governor and Deputy Governor might absorb up to one half the amount available.

Wednesday, the 15<sup>th</sup> July, 1936.

Present:—

The Deputy Governor,  
Mr. Whigham,

Mr. Shaw,

Mr. Hambro,

Sir Edward Peacock,

Lord Ryndley.

The Minutes of the last Meeting were read and agreed.

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

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

The 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) Report on the Non-Clerical Staff at the Head Office for the half-year ended 30<sup>th</sup> June 1936.

The following were submitted and referred to the Court of Directors—

- (1) A Minute of the Committee on Advances and Discounts regarding the opening of a Discount Account.
- (2) Staff Committee—
  - (a) Minute recommending appointments, &c.
  - (b) Report of payments made during the quarter, &c.
- (3) A Minute of the Committee on St. Luke's as to the procedure governing appointments, &c., of the Clerical Staff at St. Luke's Printing Works.

It was agreed to recommend to the Court of Directors—

(a) that



15<sup>th</sup> July,  
1926.

(a) that pensions be granted in accordance with the scale, and under the provisions of the Trust Deed of the Superannuation Fund to -

R.C. Williams, a Grade II Class 2 Clerk in the Accountants Department: age 50 years: service 12 years: who, in the opinion of the Bank Medical Officer, is unfit for further service, £23. 10/- a year from the 17<sup>th</sup> July next inclusive.

Grace Curtis, a Grade I Division 3 Woman Clerk: age 45 years: service 26 years: £130 a year from the 10<sup>th</sup> August next inclusive.

M. J. Hunter, an Auxiliary Woman Clerk: age 50 years on the 24<sup>th</sup> July next: service 17 years: £68 a year from the 25<sup>th</sup> July next inclusive.

Mrs Eliza Stratley, a Woman Cleaner: age 56 years: service 13 years: who, in the opinion of the Bank Medical Officer, is unfit for further service, £26 a year from the 26<sup>th</sup> June last inclusive.

(b) that an allowance of £26 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 an Engineer in the Works Department, from the 2<sup>nd</sup> June last inclusive.

(c) that allowances 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 an Auxiliary Clerk: £55 a year from the 27<sup>th</sup> June last inclusive.

Mrs. Adams



15<sup>th</sup> July 1936

Mrs.

Widow of , formerly  
an Auxiliary Clerk: £35 a year  
from the 1<sup>st</sup> June last inclusive.

Mrs.

Widow of ,  
formerly an Auxiliary Clerk: £25 a  
year from the 1<sup>st</sup> June last inclusive.

Mrs.

Widow of ,  
formerly an Auxiliary Clerk: £35 a year  
from the 1<sup>st</sup> June last inclusive; the  
allowance of £26 a year for 2 years,  
which was granted to Mrs.  
under an Order of Court of the 20<sup>th</sup>  
February last, to cease.

Mrs.

Widow of , formerly  
an Auxiliary Clerk: £55 a year from  
the 1<sup>st</sup> June last inclusive.

~~4.7.42~~  
CT 113.02

With reference to Minutes of the 3<sup>rd</sup>  
June, a Report of the Committee on Advances and  
Discounts of the 14<sup>th</sup> July as to the conditions  
under which certain types of "Finance" Bills  
should be regarded as eligible for discount  
was adopted.

~~4.9.46~~  
CT 67.02

With reference to Minutes of the 17<sup>th</sup> May  
1933, the Committee considered the Chief of  
Establishments' Memorandum of the 14<sup>th</sup> July  
regarding the financial position of the Men's  
Sports Club, and it was agreed that the subsidy  
from the Bank should be maintained for  
another year at the present figure, namely,  
a sum equal to 40% of the subscriptions,  
the position to be reviewed again next year.

The Deputy Governor acquainted the  
Committee of the following matters -

(i) With

15<sup>th</sup> July  
1936  
~~1.8.26~~  
CT 15

(1) With reference to Minutes of the 16<sup>th</sup> April, he read a letter of the 2<sup>nd</sup> July from the Treasury conveying the thanks of the Treasury and the Board of Trade for the help rendered by members of the Bank's Staff in regard to the arrangements for the Anglo-Roumanian Clearing.

~~1.8.37~~  
Historical Records  
file

(2) He read a personal letter to the Governor from the Governor of the Reserve Bank of New Zealand asking whether the Bank would consider allowing him to purchase Augustus John's portrait of W. F. Massey with a view to its presentation to the new National Art Gallery which is to be opened in Wellington on the 1<sup>st</sup> August; alternatively, whether he might borrow the picture for a period for loan to the Gallery. While the question of disposal could not be decided in the Governor's absence, the Committee agreed that the portrait should be forwarded to Mr. Lefeanx forthwith for loan to the Gallery in whatever manner he might think best.

~~1.8.37~~  
CT 50  
CT 81

(3) With reference to the Minute of the 8<sup>th</sup> July, the question of a purchase of gold by the Banking Department from the Exchange Equalisation Account was in abeyance for the time being as the Treasury were in some doubt as to their power under the Finance Act of 1932 to effect a transaction of this nature.

See ~~1.8.45~~  
CT 70 01  
Secretary's  
Secret Files  
SEC 1 - SEC 7

The Secretary having left the Committee, the question of the Succession and the names of candidates for the Direction were again considered.



Wednesday, the 22<sup>nd</sup> July 1936

Present

The Deputy Governor  
Mr Whigham  
Mr Shaw  
Sir Josiah Stamp  
Mr Hambro  
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, 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 July Meeting of the Board of the Bank for International Settlements.

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

1. A General Court to consider of a Dividend be held on Thursday, the 21<sup>st</sup> September 1936.
2. A pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

M A. Bradley, an Auxiliary Woman Clerk: age 48 years: since 17 years. £68 a year from the 1<sup>st</sup> September next inclusive.

3. An allowance be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to

Widow of , formerly an Auxiliary Clerk: £35 a year from the 1<sup>st</sup> June last inclusive.

4. A sum of £20 be placed annually at the disposal of the Institute of Bankers as a prize to be offered to members of the Institute for the best essay on a Central Banking subject: such details as may be necessary regarding the offer of this prize to be arranged through the Bank's representative on the Council of the Institute.

5. A donation of 10 guineas be made to the National Christian Appeal for Refugees from Germany.



22<sup>nd</sup> July 1936.

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

~~10055~~  
CT 186

1. William Beardmore and Co. Ltd. With reference to the Minutes of the 19<sup>th</sup> February as to the sale of the Interest Certificates to be received by the Bank and by A.H. Treasury in respect of their holdings of 7% Debenture Stock, payment had now been accepted, in agreement with Sir James Lithgow, on the basis arranged less an amount equivalent to Income Tax at 1/6 in the £, this being the rate in force when the sale was effected.

~~10054~~  
CT 401

2. Australia With reference to Minutes of the 27<sup>th</sup> May and earlier, it had now been agreed that, should the need arise, the Bank would advance to the Commonwealth Bank between now and the end of the year up to £5,000,000 on the terms and conditions set out in Sir Claude Reading's letters of the 10<sup>th</sup> and 16<sup>th</sup> July.

~~10053~~  
See Secretary's  
Secret Files  
SEC 1 - SEC 7

The Secretary having left the Committee, the question of the 'Succession' and the names of candidates for the Directorship were again considered.

Wednesday, the 29<sup>th</sup> July 1936

Present:-

The Deputy Governor  
Mr. Birmingham  
Sir Josiah 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 Billbrokers, 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. Half-yearly Report on the progress of Mechanisation.

The following were submitted and referred to the  
Committee

29<sup>th</sup> July 1936

## Court of Directors -

- 1 Quarterly Report of the Committee to consider the Securities of certain Funds
- 2 Quarterly Report of the Audit Committee
- 3 Quarterly Report of the Staff Committee on the Accountants, Cashiers and Secretary's Departments, etc.

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. Addell, an Auxiliary Male Clerk: age 65 years on the 4<sup>th</sup> August next: Service 19 years: £171 a year from the 5<sup>th</sup> August next inclusive.

W.J. Smith, an Auxiliary Male Clerk: age 65 years on the 22<sup>nd</sup> August next: Service 18 years: £162 a year from the 23<sup>rd</sup> August next inclusive.

- 2 That an allowance 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 an Auxiliary Clerk. £55 a year from the 18<sup>th</sup> July last inclusive.

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

~~1255~~  
CT 6.

1. Following upon the Polish exchange restrictions difficulties had arisen in regard to payments to London Accepting Houses from their Polish clients. At the request of the Chairman of the Accepting Houses Committee the Bank had represented the position to the Treasury with a view to their approaching the appropriate Polish authorities. The Deputy Governor read the Treasury's letter of the 23<sup>rd</sup> July informing the Bank of the action they had taken.

~~1257~~  
CT 40.

2. He referred to the placing of French Railway Bills in London. In his own transactions of this nature were not in the wider interests of either market and he had

29 July 1936.

written to the Bank of France with a view to obtaining their co-operation in discouraging any extension of such business at the present time.

16713  
CT 26

3. At the request of the Treasury the Bank had agreed to arrange for a representative to advise the Treasury on technical questions in connection with the forthcoming negotiations with the Turkish Government regarding a payments agreement.

17447  
CT 119 02

#### b. Imperial Conference - 1937

At the invitation of the Board of Trade Mr Kinshaw had attended the Meeting on the 27<sup>th</sup> July of representatives of Government Departments to consider the draft Agenda to be submitted to the Cabinet. It was stated at the Meeting that it was <sup>not</sup> intended to include any question on monetary policy but that such matters could be left to the Dominions themselves to raise if they so wished.

17447  
CT 119 02

#### Wednesday, the 5<sup>th</sup> August 1936

##### Present:-

The Deputy Governor  
Mr Hambro.

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

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

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

The following were submitted:-

1. Weekly Reports on Central Banks
2. Fortnightly Letter to Dominion Central Banks.

It was agreed to recommend to the Court of Directors that an allowance be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to:-

Mrs.

Widow of \_\_\_\_\_, a Pensioner, formerly a Porter.  
£26 a year from the 10<sup>th</sup> June last inclusive.

17447



Wednesday, the 12<sup>th</sup> August 1936

Present -

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Hambro

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) A Report of the Committee on Advances and Discounts
  - (a) on the discount business of the Bank for the month of July.
  - (b) on Advances granted under Paragraph 12(b) of Internal Regulations, and on Special Advances.

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

- (1) Minutes of the Committee on Advances and Discounts.
  - (a) Regarding the reopening of a Discount Account.
  - (b) Recommending the continuance of facilities granted to certain customers in regard to Advances, etc.
- (2) A Report of the Staff Committee with regard to Sub-Agent at the Hull Branch, and recommendations arising therefrom.

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

Mr	Widow of	, a Pensioner, formerly an Auxiliary Clerk: £45 a year from the 1 <sup>st</sup> June last inclusive.
Mr	Widow of	a Pensioner, formerly an Auxiliary Clerk: £45 a year from the 1 <sup>st</sup> June last inclusive.

The half-yearly report of the Committee on the

12<sup>th</sup> August 1936.

15885  
CT 50 07  
CT 60

Permanent Board of Expenditure was submitted. The Committee considered that it was not expedient to adopt the suggestion in the Report that some pecuniary award should be made to those members of the Staff who put forward useful suggestions for the promotion of efficiency and economy: and that in place of any such direct award, particulars of all suggestions which merited recognition might be brought to the notice of the Staff Committee at the end of the Bank's year when the annual reports on the Staff are reviewed.

1215  
CT 27

With reference to the recent agreement for a £10 million credit to Russia to finance purchases from the United Kingdom, it was agreed that the 5½% 5-year Notes to be drawn thereunder, guaranteed as to principal and interest by the Export Credits Guarantee Department, should be regarded as "floaters."

The Governor acquainted the Committee of the following matters -

176  
CT 39 03

(1) With reference to Minutes of the 1<sup>st</sup> July and earlier as to Mr Rogers' stay in China, it now appeared possible that he might be invited to stay permanently with the Chinese Government or with the Central Bank. If Mr Rogers accepted such an invitation he would sever all connection with the Bank of England.

Alternatively he might be invited to stay for a period of, say, 2 years, in which case he would wish to be seconded and to return to the Bank of England at the end of the period. The Governor laid before the Committee a note setting out terms and conditions which it was proposed should govern the acceptance of this invitation. The Committee approved thereof.

1876  
CT 18.

(2) Argentina. With reference to the Minutes of the 1<sup>st</sup> June and earlier it had now been agreed that Mr Powell's stay should not be extended and he will leave for this country on the 20<sup>th</sup> August.

1712  
CT 44.

(3) He outlined to the Committee the impressions he had received during his recent visit to the United States of America and to Canada.

In the present circumstances the co-operation between the Bank and the Federal Reserve Bank of New York could yield no fruitful results and the Governor therefore proposes, if possible, to establish

personal

12<sup>th</sup> August 1936

personal contact with Washington and New York after the election. In this connection he mentioned the names of Mr. Clay, Mr. Jackson and Mr. Hynore.

Wednesday, the 19<sup>th</sup> August 1936.

Present:-

The Governor  
Mr. Whigham  
Mr. Hambro

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 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 donation of £50 be made in response to an appeal on behalf of the Royal National Hospital for Consumption, Ventnor.

2. That a pension be granted under the provisions of the Trust Deed of the Superannuation Fund in accordance with the scale and the terms of an Order of Court of the 14<sup>th</sup> May 1936 to -

L. J. Forman, Grade II Class I Clerk in the Cashiers Department and Branches: age 60 years: service 39 years, £48:6:8 a year from the 10<sup>th</sup> November next inclusive.

3. That L. A. Mitchell, formerly a Junior in the Works Department, who quitted the service of the Bank in August 1933, on attaining the age of 70 years, having completed 15 years service, be granted under the provisions of the Trust Deed of the Superannuation Fund a compassionate allowance of £36:4:8 a year, being the amount to which he would have been entitled had the Pension Regulations adopted by the Court on the 25<sup>th</sup> June 1936 been in force at the date of his retirement.



19<sup>th</sup> August 1936

The Governor acquainted the Committee of the following matters -

1. With reference to the minute of the 30<sup>th</sup> October 1935 regarding the position of 'Mining Lane' following on the paper crisis, he had approached Sir Stephen Demetriadi, as President of the London Chamber of Commerce, in the hope that steps might be taken with a view to preventing similar trouble in the future. The Governor read Sir Stephen Demetriadi's letter of the 10<sup>th</sup> August explaining the satisfactory issue of his discussions with the President of the General Produce Brokers' Association of London.

2. With reference to the Minute of the 26<sup>th</sup> June, a Committee of Executive Officers of the Clearing Banks had been appointed to consider the question of the constitution and work of the London Foreign Exchange Managers' Committee. Their report, with which he was in general agreement, was discussed at the Meeting on the 12<sup>th</sup> August of the Committee of London Clearing Bankers, who had agreed to consider the following suggestions which the Governor submitted -

(a) That the Chairman of the Committee should be either the Chairman of the Clearing Bankers' Committee or one of their members, or a General Manager of one of the large Clearing Banks.

(b) That each of the large Clearing Banks should have a representative on the Committee, the other Clearing Banks together appointing a further representative. In addition a number of groups of interested parties, for example, the Eastern, French, American and Australian Banks, the Accepting Houses, and possibly some others, should each appoint one representative.

3. China With reference to Minutes of the 12<sup>th</sup> August and earlier, he read a letter of the 1<sup>st</sup> July from the Minister of Finance expressing appreciation of the work Mr Rogers had performed in China, and of the Bank's action in facilitating his original visit and his return for a further period. The Governor also read his reply of the 14<sup>th</sup> August.

Wednesday, the 26<sup>th</sup> August 1936

Present -

The Governor  
Mr. Whigham  
Sir Josiah Stamp  
Mr. Hambro.

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.

~~1750.~~  
CT 98.

A Report of the Committee on S. L. J. regarding the formation by Portals Limited of the Laverstoke Investment Trust Limited was submitted.

Arising out of the Report it was agreed that any question which may in the future arise under the Agreement of 1929 between the Bank and Portals Limited should for the time being be brought before the Chairman of the Committee on S. L. J. and be referred by him to the Governor for decision as to whether the question should be considered by the Committee on S. L. J. or be referred direct to the Committee of Treasury.

It was agreed to recommend to the Board of Directors 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 who, in the opinion of the Bank Medical Officer, are unfit for further service -

W. D. S. Harte, a Grade II Class 1 Clerk at the Manchester Branch: age 45 years: Service 25 years: £265.12.8 a year from the 1<sup>st</sup> September next inclusive.

Mrs. Florence Lyder, a Charwoman at the Newcastle Branch: age 60 years: Service 11 years: £26 a year from the 29<sup>th</sup> August next inclusive.

CT 50.04 ~~1845~~  
CT 64 ~~1828~~

The Governor informed the Committee that the estimated profits for the half-year ending the 31<sup>st</sup> August, after deducting all charges and making provision for Income Tax and a Dividend of £6 per cent., amounted to £1,740,000.

26 August 1936

It was proposed to write down the cost of the 40,000 Ordinary Shares of S.A.R.A. Limited to £100, to write down The S.M.T. Shares by £500,000, the Central Mining and Investment Corporation Limited Preference Shares to par and the balances with Foreign Central Banks to £100 in each case.

The rebuilding of the Bank and the cost of new furniture would require £350,000 in addition to the amount already set aside and it was proposed to transfer this sum to the Suspense Account - Rebuilding of Chambers Fund.

These allocations would leave a balance of, say, £763,000 which he suggested should be transferred to the Suspense Account - Reserve for Pensions as a provision towards the contributions to the Superannuation Fund, due in February 1937.

CT 64

The Committee agreed thereto.

The Governor acquainted the Committee of the following matters -

1. With reference to Minutes of the 19<sup>th</sup> August and earlier, he read the Minute of the Meeting on the 20<sup>th</sup> August of the Committee of London Clearing Bankers regarding the Chairmanship and the future composition of the Foreign Exchange Committee.

L 797  
CT 90.04

2. Sir John Caulcutt had recently consulted him in the strictest confidence in regard to the succession in the Spring of 1937 to the Presidency of the Institute of Bankers. The name of Mr. R. A. Wilson of Lloyds was the next in sequence and though the Governor felt that in the present circumstances a man with international rather than merely domestic experience was required he agreed to the nomination in order that dissension on the Council might be avoided.

L 797  
CT 98

3. He read his letter of the 21<sup>st</sup> August to the India Office explaining, in response to their inquiry, why he considered it inadvisable that Lord Willingdon should accept an invitation to open the London branch of the Central Exchange Bank of India.

L 751  
CT 32

4. The International Power and Paper Company of Newfoundland.  
With reference to Minutes of the 29<sup>th</sup> April and earlier, he had recently seen Mr. Braithwaite Taylor, who was proceeding to New York in mid-September. Since Mr. Braithwaite's resignation the position had worsened and

L 876  
CT 192.02



26<sup>th</sup> August 1936.

and he would be glad to dispose of the Bank's holding of Preference Shares even at a large discount. There was, however, little chance of accomplishing this and as an alternative he was anxious for such a change in the capital structure as would improve the relative position of the Preference Shares by repaying the 1<sup>st</sup> Mortgage Bonds: to achieve this the Bank would be prepared to subscribe in one form or another one half the amount required up to a sum of, say, £3,350,000 provided the International Paper and Paper Company would provide a similar amount in Ordinary Shares.

1752  
CT 100 03

5. [redacted], an Englishman who was appointed to the staff of the Bank for International Settlements in 1930, had recently had to resign: throughout his service his work had given complete satisfaction.

It now transpired that he had an overdraft of Sw. frs. 2,150 with the Volksbank and had incurred debts in Basel which, so far as could be at present ascertained, amounted to about Sw. frs. 1,000.

The Committee agreed that the Bank should provide the sum required to pay off the overdraft and to settle the debts, the payments being made through an intermediary purporting to be acting in a private capacity.

1753  
CT 157

b. It had been brought to his notice that a Mr. Joseph Rivlin was apparently distributing forms of applications for Preference Shares in the National Bank of Palestine Ltd., a small concern of which Mr. R.B. Rivlin and Mr. Joseph Rivlin were the directors.

In his view such a practice was undesirable and it was still more undesirable that a Bank such as this should be known as the National Bank of Palestine. The Governor read his letter of the 26<sup>th</sup> August to the Treasury suggesting that the matter might be taken up by the Colonial Office with the proper authorities in Palestine.

CT 45 1744

1. Jewish Property in Germany. With reference to the Minute of the 27<sup>th</sup> May, it was now proposed that a company to be known as the "Advance and Transfer Corporation" with a nominal capital up to £500,000 should be formed with a view to

21<sup>st</sup> August 1936

the gradual realisation of Jewish property in Germany and the eventual transfer here of the proceeds. A letter, which had been submitted to the Foreign Office, the Board of Trade and the Treasury, asking for the support of the German Government was to be sent to Dr. Schacht under the signature of Robert Benson and Co. Ltd. who were acting in collaboration with Lloyds Bank, Rothschilds, Samuels and Schroders.

HC 76  
ET 17

8. He read a telegram of the 21<sup>st</sup> August from the Council of the Bank of Spain constituted at Burgos protesting against the exports of gold belonging to the Bank of Spain.

HC 3  
ET 77

9. The name of Messrs. Mullins and Co. had appeared on the prospectus of an issue of Debentures of the British Sugar Corporation Ltd. In view of the guarantee of H.M. Government and of the fact that the register of the Debentures would be kept here, the Committee agreed that the security could be held to come within the scope of Messrs. Mullins' declaration of policy as set out in the Minutes of the 5<sup>th</sup> February 1930.

Wednesday, the 2<sup>nd</sup> September 1936.

Present:-

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

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 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 the following pensions be granted under the provisions of the Trust Deed of the Superannuation Fund -

In accordance with the scale:-

W. M. Acres a Supernumerary Deputy Principal in the Secretary

2<sup>nd</sup> September 1936.

Secretary's department: age 57 years: service 39 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £576.17.8 a year from the 30<sup>th</sup> December next inclusive.

In accordance with the scale and the terms of an Order of Court of the 11<sup>th</sup> May 1936

A. S. La Roche, a Grade II classed Clerk in the Cashier's Department: age 60 years: service 38 years: £488.6.8 a year from the 1<sup>st</sup> December next inclusive.

Staff Committee

Files

+ CT 122.

The Committee agreed that steps should be considered by the Staff Committee with a view to taking into the Bank's service a certain percentage of those members of the male Staff of the Anglo-South American Bank rendered redundant by its absorption by the Bank of London and South America.

It was hoped thereby to stimulate the efforts which were being made to deal with the problem as a whole by concerted action on the part of the Banks.

The Governor acquainted the Committee of the following matters:-

CT 36 1849  
CT 95

1. He read a personal and confidential letter from Mr. Postinus, Governor of the South African Reserve Bank, asking whether it might not be advisable, in view of the unsettled state of Europe, to come to some understanding now as to the policy to be adopted in regard to shipments of South African gold should emergency arise. Mr. Postinus also asked the Governor for his personal views as to the present political situation in this country.

The Governor read the draft of his suggested reply which had been submitted to the Treasury.

CT 32 1757

2. With reference to the Minutes of the 26<sup>th</sup> August, he read his letter of the 28<sup>th</sup> August to regretting that in the present circumstances it was not possible to comply with his request to show an account here in the name of



2<sup>nd</sup> September 1936

+76

CT 39.03.

3. He read his letter of the 24<sup>th</sup> August to Mr. Munakata of the Bank of Japan explaining the nature of Mr. Rogers' present mission to China in case he might wish to cable to the Governor of the Bank of Japan asking for general sympathy and support for Mr. Rogers in case of need. This Mr. Munakata had done and the Governor read the message received in reply from the Governor of the Bank of Japan.

Office File.

4. Mr. Munakata was returning to the Bank of Japan early in October after several years in England and the Governor proposes to present him with a silver cigarette box as a memento of his loyal and helpful association with the bank.

CT 119.

5. In connection with the Imperial Conference to be held next year, representatives of all the Dominion Central Banks would be in London, and he wishes, if possible, to arrange - quite apart from the official and therefore political meetings - for a series of discussions between the Governors and Advisors on the following subjects -

- (1) General survey of monetary and economic trends in the world at large.
- (2) Special study of United Kingdom conditions since 1932 with such reasons as can prudently be given for what has happened and is happening.
- (3) Survey of trends in Central Banking - constitutions, technique, open market, etc.
- (4) Special studies of major commodities and world markets, such as wheat, wool, meat, dairy produce, metals, etc.
- (5) <sup>Exchange questions</sup> As a preliminary he proposes to arrange for certain of the Bank's Advisors and Officials to prepare papers on these subjects.

The Office File.

#### b. The National Institute of Industrial Psychology.

The Governor submitted a note of his recent interview with Dr. Myers, Principal of the Institute, who had approached him as to how he could best set about raising funds necessary for the continuance and development of the work of the Institute. The Governor had warned Dr. Myers of the difficulties attaching to any approach to the Bankers at the present time.

See?

Present.

The Deputy Governor  
Mr. Whigham  
Mr. Hambro  
Sir Andrew Duncan

Wednesday, the 9th September 1926

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 August.

It was agreed to recommend to the Court of Directors -

1. That an allowance 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 an Auxiliary Clerk £55 a year from the 1st June last inclusive.

2. That a donation of £50 be made in response to an appeal on behalf of the Royal Infant Orphanage, Wandsworth.

A Report of the Committee on St Lukie's was submitted recommending that the furnaces in the Boiler House at St Lukie's Printing Works be adapted for coal-burning and that apparatus for automatic stoking be installed at an estimated total cost of, say, £5500.

After discussion, consideration of the Report was deferred in order that the Committee might be furnished with further details regarding the proposed alteration.

*Done*  
1926

Wednesday, the 16<sup>th</sup> September 1936.

Present:-

The Deputy Governor  
Mr. Whigham  
Mr. Hambro  
Sir Andrew Duncan

Mr. Whitworth  
and Mr. Martin attended  
the Committee in  
counsel with the  
Reports from the  
Committee on S. Luke's  
and from the Staff  
Committee, respectively.

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 half-yearly Accounts of S. Luke's Printing Works and of the  
Works Department.
- (2) A Minute of the Staff Committee recommending appointments, etc.

It was agreed to recommend to the Court of Directors -

(a) That A. A. Irby, a Grade I Division 2 Clerk in the Bill Office ;  
age 63 years: Service 38 years: who, in the opinion of the Bank Medical  
Officer, is unfit for further service: be granted, under the provisions  
of the Trust Deed of the Superannuation Fund, a pension equal to full  
salary for three months as from the 18<sup>th</sup> September next, inclusive, and  
thereafter, as an exception, £488 6:8 a year, being the amount to  
which he would have been entitled under the Order of Court of the  
14<sup>th</sup> May 1936 had he not received promotion to Grade I.

(b) That allowances, equal to the amount of pension they would  
have received had the Pension Regulations adopted by the Court on  
the 25<sup>th</sup> June last been in force at the dates of their retirement, be  
granted under the provisions of the Trust Deed of the Superannuation  
Fund to the following former members of the Works Department Staff:-

George Radford, a Carpenter who quitted the service in June 1934  
on account of ill-health at the age of 68 years,  
having completed 13 years' Service: £34 14: - a year

A. J. S. Dawson, an Electrician who quitted the service in July 1934  
on attaining the age of 70 years, having completed  
18 years' Service: £51 16: - a year.



16<sup>th</sup> September 1936

With reference to the Minute of the 9<sup>th</sup> September, the Committee again considered the Report of the Committee on S. Lukin's concerning the type of fuel to be used in the Boiler House at S. Lukin's Printing Works and it was agreed that the Report be now submitted to the Court of Directors.

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 5<sup>th</sup> October net of 16% less Income Tax.

+£.76  
+£.55  
CT19202

With reference to the Minute of the 25<sup>th</sup> August, the Deputy Governor acquainted the Committee that while in New York Mr. Walter Taylor would discuss with the Governor of the Bank of Canada applications for permission to make issues here on behalf of certain Canadian Newspaper Companies. As Mr. Taylor will not be returning to this country until the end of October, it had been thought advisable that Mr. Skinner should proceed to New York to attend these conversations in order that first-hand information might be available as soon as possible.

Wednesday, the 23<sup>rd</sup> September 1936.

Present:-

The Governor  
Sir Andrew Burnan.

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.

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

23<sup>rd</sup> September 1936.

2nd to -

122

J.B. Herbert, a fitter in the Works Department, age 65 years on the 8<sup>th</sup> December next. Service 1 1/2 years: £129.7.3 a year from the 9<sup>th</sup> December next inclusive.

(b) a pension be granted during pleasure and in accordance with the scale to -

G.J. Bloxham, a Machinist at St. Luke's Printing Works: age 65 years on the 19<sup>th</sup> October next: Service 3 1/4 years: £117.2.6 a year from the 20<sup>th</sup> October next inclusive.

The Governor acquainted the Committee of the following matters -

CT 30 ~~1885~~

1. With reference to Minutes of the 8<sup>th</sup> July and earlier, negotiations between the English and Italian Governments concerning Anglo-Italian Trade would shortly be resumed. At the request of H.M. Government a representative of the Bank was proceeding to Rome to assist the Treasury delegate on any technical questions which might arise in the course of his discussions with the Italian Exchange and Clearing Office authorities.

N/E ~~1867~~

2. In pursuance of the policy of maintaining personal contact between Central Banks, representatives of the Bank had recently visited Paris and Berlin.

~~1876~~

CT 45 01

CT 45

3. With reference to Minutes of the 17<sup>th</sup> June and earlier regarding the Anglo-German Payments Agreement, though the provisions relating to non-Rich loans had been extended to the 31<sup>st</sup> December, there was urgent need for the conclusion of a new agreement to take effect as from that date.

CT 34. ~~1870~~

4. He read Sir O.B. Noyes's letter of the 28<sup>th</sup> August to Mr. Cunliffe regarding the Gold reserves of the Bank of France.

CT 39. ~~1872~~

5. With reference to the Minute of the 1<sup>st</sup> March, Mr. James Baxter had now been appointed Financial Adviser to the Curator Government.

Wm.  
Selfe

Present

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Hambro  
Sir Andrew Duncan  
Lord Hymdley

Wednesday, the 30<sup>th</sup> September 1936.

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

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

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

Agreed  
by the Council

Wednesday, the 1<sup>st</sup> October 1936.

Present -

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Shaw  
Sir Andrew Duncan  
Sir Edward Macock  
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 alterations 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 a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

M. J. Cubb, the Senior Cashier age 60 years: Service 36 years: £788-17-8 a year from the 1<sup>st</sup> March next inclusive.

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

Mrs. [redacted] a Pensioner, formerly a Bank Note Stamper: £26 a year from the 3<sup>rd</sup> September last inclusive.



7<sup>th</sup> October 1936

The Governor acquainted the Committee of the following matters -

~~1758~~  
N/E.  
Copies in  
accounts  
office

(1) He informed the Committee of the circumstances in which the Bank took up £110,000 ~~disposal~~ Stock Exchange Buildings Company Ltd. 3% Mortgage Debenture Stock in 1897/9. As this stock is virtually irredeemable and non-marketable he proposed to take an early opportunity of disposing of it provided that a reasonable price could be obtained.

~~1712~~  
CT 164

(2) With reference to the Minute of the 21<sup>st</sup> June he has now arranged that the sum of £5,250, being the equivalent of a rebate of interest from 5% to 2% on the advance for the past 12 months, be handed to Lord Essendon to be applied at his discretion solely towards the relief of the pensioners of the Oceanic Company. It has also been arranged that interest on the advance amounting to £6,316 10s 9d which had been held in suspense should now be taken into profit.

~~1733~~  
CT 122

(3) Anglo-South American Bank

(a) With reference to the Minutes of the 9<sup>th</sup> November 1932 and 23<sup>rd</sup> February 1934, he read the Chief Cashier's private letter of the 7<sup>th</sup> October to the Treasury informing them of the Bank's wish to surrender certain casual profits made as a result of special transactions undertaken by them in 1931. In fact this amount represents the Treasury's share of the interest which had accrued on that part of the amount advanced in one form or another to the Anglo-South American Bank which was covered by a secret guarantee from the Chancellor. As a result of the recent amalgamation with the Bank of London and South America the Treasury's guarantee had become no longer necessary and it was therefore desirable to close the whole position. As it is understood that the Treasury are unable to appropriate the sum, which now amounted to £11,328 13s 9d, it would be made available for the reduction of the National Debt.

(b) With reference to the Minutes of the 1<sup>st</sup> July and earlier, as the participants of the "Pool" have no longer any direct or remote obligations in respect of either the Anglo-South American Bank or the Bank of London and South America, it may be said that their interests are now solely represented by Shares in

Chelms.

7<sup>th</sup> October 1936

Chilnit. So far as could at present be seen it was possible that £3,000,000 of the £8,500,000 now in Chilnit might be repaid over the next 10 years but it was doubtful whether any part of the remaining £5,500,000 would ever be recovered.

(c) He reminded the Committee of the many onerous duties undertaken by Sir Bertram Home during his association with the affairs of the Anglo-South American Bank and to the fact that, beyond his regular salary as Chairman, he had steadfastly refused any pecuniary award. He proposed therefore that the Bank should show their appreciation of Sir Bertram's services in some other form, for example by the presentation, in collaboration with the other members of the "Pool", of a piece of plate or similar article to the value of a few hundred pounds. The Committee concurred.

~~176~~  
CT 39.02

(4) With reference to the Minute of the 18<sup>th</sup> March last he said he had suggested to Lord Alness that for many reasons it was desirable for the Chinese Bondholders Committee to remain in being for an indefinite period and also that they should co-opt a representative of the Council of Foreign Bondholders. He read a letter from Lord Alness conveying the Committee's agreement to these proposals, a copy of which he had forwarded to Sir Frederick Leich-Ross.

~~177~~  
~~189~~  
CT 95

(5) He read his letter of the 2<sup>nd</sup> October to the Governor of the Bank of France which he had written as a result of a letter received from the Chairman of French and National Provincial Foreign Bank concerning an import of Gold coin into France by that Bank and by them delivered to a French client. The French authorities were of the opinion that this transaction contravened the request which had been made to the French and British markets in May last but he had been able to assure the Governor of the Bank of France that there had been no intentional disregard of the wishes of the two Central Banks and he hoped that his letter would allay the resentment which had undoubtedly been created.

~~189~~  
CT 90

(6) He read his letter of the 5<sup>th</sup> October to the Chairman of the Committee of Clearing Bankers enclosing a note



7<sup>th</sup> October 1936

on the question of classification of Bankers' Advances under various industrial, commercial and other headings, with a view to publication. This subject had been raised by the Macmillan Committee and he hoped that the time had now arrived when the suggestions made by that Committee could be implemented.

1244  
Office File 132

(7) He had recently received a visit from Sir Peter Bank from which he had gathered that Sir Peter was greatly worried both as regards his financial position and the state of his health. Since that visit Sir Peter had gone into a Nursing Home in order to undergo a serious operation. He referred to the Minute of the 13<sup>th</sup> December last, which detailed the fees at present paid to Sir Peter by the Anglo-International Bank and by the Bank of England, and said that it might be necessary for the Committee to consider in the near future what permanent assistance could be afforded to Sir Peter and Lady Bank but in the meantime he asked for their concurrence in defraying the expenses of his present illness which it was estimated would amount to some £300/£400.

1258  
CT 4.01

(8) He had heard that Sir Ernest Riddle had been given 6 months sick leave from the Commonwealth Bank of Australia owing to a serious breakdown in his health and he had therefore written him a letter of sympathy. He had reason to believe however that it was unlikely that Sir Ernest would ever be well enough to return to his duties.

1258  
Sept 1936

Wednesday, the 11<sup>th</sup> October 1936.

Present:-

The Governor  
The Deputy Governor  
Mr. Ingham  
Sir Josiah Stamp  
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, 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 September.



14<sup>th</sup> October 1936

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

1. Staff Committee

- (a) Minute recommending appointments.
  - (b) Report of payments made during the Quarter, etc.
2. A Minute of the Committee on St. Luke's recommending appointments.

A Report of the Staff Committee with recommendations concerning the Royal Air Force Volunteer Reserve was submitted and decision thereon was deferred until the following week.

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 to -

J. S. Gunn, a House Porter and Watchman at the Birmingham branch: age 48 years: service 14 years: who in the opinion of the Bank Medical Officer is unfit for further service. £14.13.6 a year from the 28<sup>th</sup> November next inclusive.

- (b) That a donation of 100 guineas be made in response to an appeal on behalf of the London Orphan School, Watford. It was agreed that should a similar appeal be received next year it should be declined.

The Governor acquainted the Committee of the following matters -

1. In view of the approaching reconstruction of the Lancashire Cotton Corporation he had thought it advisable for the Bank's holding of Debenture Stock to be transferred exceptionally from the name of the Governor and Company of the Bank of England into the names of the Bank's nominees.

CT 181-01  
H.E. 60

2. With reference to the Minute of the 3<sup>rd</sup> June last he read a letter of the 7<sup>th</sup> October which he had received from Mr. Meinertzhagen asking whether, as in the case of the A.S.A.B., the Bank would be willing to use their influence with the

CT 184  
H.D. 75

14<sup>th</sup> October 1936

British Bankers Association in obtaining employment for certain late members of Messrs. Frederick Huth and Company's Staff. He also read the Deputy Governor's reply stating that the Bank were unable to accede to this request.

3. With reference to the Minutes of the 9<sup>th</sup> May 1936, he said that Mr. J. A. Drexel had been approached by the Chairman of the Bank of London and South America with a view to his election to the Board of that Bank. It had for many years been the Bank's policy to discourage the appointment of a member of the Discount Market to a bank directorship but in this case Mr. Drexel had signified his willingness to resign his directorship of Messrs. W. P. Boutrich and Co. forthwith and will do his best for his part to terminate his connection with the Discount Market completely in 1938 when his present partnership expires. In his view this should meet any objection which might be raised.

4. With reference to the Minutes of the 23<sup>rd</sup> September and earlier he read his letter of the 1<sup>st</sup> October to the Treasury on the subject of German indebtedness. It appeared that the policy of the Cabinet was to encourage the non-Reich bondholders to continue with the Standstill creditors in an attempt to secure the free sterling which remains available to Germany under the Payments Agreement as a result of the liquidation of the outstanding debts. He was doubtful whether, in the long run, this would prove to be a wise policy.

5. With reference to the Minutes of the 10<sup>th</sup> June concerning the Dollar Credit to the National Bank of Hungary which falls due for repayment this month and which it had been generally agreed should be extended to the 1<sup>st</sup> July next year, he now learned that the Americans for their part were not prepared to agree to this extension.

b. Arising out of his recent visit to Basel he said that various difficult and important matters affecting the B.I.S. had been discussed, amongst them the following-

(a) The Presidency. With reference to the Minutes of the 12<sup>th</sup> February last and earlier, Dr. Jupp was unwilling to continue in this Office and it was possible that Dr. Beyen would be his successor.

(b) Statutes. So far as Article 53 is concerned, all Governments concerned had now agreed to its amendment so as to make

the

18<sup>th</sup> October 1936.

the dividend non-cumulative and he had no doubt that the necessary majority would be obtained at the General Meeting. He learned however that the Americans are opposed to this action on the grounds of equity and fair play and if adequate compensation was not offered were prepared to vote against it at the General Meeting. Should the amendment be accepted, it was possible that they would bring an action against the Bank for International Settlements in one form or another.

Certain other amendments would also be required as, in view of recent developments, the Bank for International Settlements is at present precluded by its Articles from dealing in any currency, including Swiss Francs.

J. He referred to conversations he had had with Dr. Schacht, H. Lohmeyer and other Central Bank Governors during his visit to Basel.

1-B-78  
CT100 (H.T.)

1/27

### Present-

The Governor.  
Mr Whigham  
Mr Shaw  
Sir Joseph Stamp  
Mr Hambro  
Sir Andrew Duncan  
Sir Edward Peacock.  
Lord Hyndley

Wednesday, the 21<sup>st</sup> October 1936.

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

The Weekly Statement of Discounts and Advances granted to Sir Brooks, 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 October Meeting of the Board of the Bank for International Settlements.

The Report of the Staff Committee recommending the granting of certain facilities to members of the Clerical Staff enlisting in the Royal Air Force Volunteer Reserve (Pilot Section) was again submitted and it was agreed to refer the Report to the Court of Directors.



21<sup>st</sup> October 1936

It was agreed to recommend to the Court of Directors that an allowance of £52 a year be specially granted, as from the 17<sup>th</sup> September last, under the provisions of the Trust Deed of the Superannuation Fund to

Miss [redacted] daughter of the late Mr [redacted] a Pensioner, formerly a Cashier.

With reference to the Minute of the 13<sup>th</sup> January May, regarding the building scheme of the University of London, it was agreed that the question of a donation from the Bank be again deferred.

~~125~~  
~~163~~  
N/E.  
The Governor acquainted the Committee that he proposes to make arrangements for Wing Commander E. J. Hodcoll, the head of a special Department of the Home Office dealing with Air Raid precautions, to come here in the near future, with a representative of the Treasury, to meet the Chairman of the Clearing Banks in order that he may discuss with them, in the strictest confidence, plans to provide in anticipation against the danger of attack from the air.

~~1245~~  
EX 70 03  
107  
With reference to Minutes of the 22<sup>nd</sup> July and earlier regarding the two vacancies on the Court to be filled next Spring, the names of candidates for the direction were again considered.

Wednesday, the 23<sup>rd</sup> October 1936

Present:-

The Governor  
Mr Whitham  
Mr Shaw  
Sir Josiah Stamp  
Mr Hambro  
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, 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

28<sup>th</sup> October 1936

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

(1) Staff Committee -

(a) Quarterly Report on the Accountants, Cashiers and Secretary's Departments, etc.

(b) Director Report regarding enlistment in the Royal Air Force Volunteer Reserve (Pilot Section)

(2) Quarterly Report of the Audit Committee.

It was agreed to recommend to the Court of Directors -

(1) That the Agent of the Hull Branch be authorised to make a donation of £25 in response to an appeal on behalf of the Hull Hospital Sunday Fund.

(2) That a pension be granted, in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

C. R. Jackson, a Grade I Division 1 Clerk in the Colonial Office: age 48 years: Service 30 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £368. 15/- a year: in the special circumstances the pension to date from the 26<sup>th</sup> October last inclusive.

The Governor acquainted the Committee of the following matters -

N/E ~~LC 564~~

(1) In pursuance of the policy of maintaining personal contact with other Central Banks, Mr. Bunton was shortly starting on a visit to Belgrad and Sofia. It was possible that he might also visit Athens and Vienna.

(2) With reference to Minutes of the 21<sup>st</sup> October and earlier regarding the Appeal for the University of London Building Scheme, the Bank's position had been explained to the Chairman of the Committee of London Clearing Bankers.

CT 41 ~~LC 56~~

CT 113.53. ~~LC 56~~

(3) Hungarian Standstill Bills With reference to the Minutes of the 17<sup>th</sup> June and earlier, he proposes to notify the Market and the accepting Houses Committee that those Bills will not be eligible for discount after the 31<sup>st</sup> January next.

28<sup>th</sup> October 1936.

For a further three months from that date assistance would, however, be given, if necessary, by taking such bills from any particular acceptor to a maximum of £500,000.

~~14116~~  
~~1360~~  
CT 90.03

(4) With reference to the Minute of the 14<sup>th</sup> May 1929 placing on record the names of foreign operating Banks whose acceptances are not taken from the market owing to their connection with clearing Banks, he had received a visit from the Chairman of Lloyds Bank asking that this restriction might be withdrawn so far as [redacted] were concerned, in view of the fact that Lloyds Bank now hold less than 50% of the Shares.

He could not agree that this fact in any way altered the position and had informed the Chairman accordingly.

~~14178~~  
CT 100 (25)  
CT 100.05

(5) He laid before the Committee a note he had received from the President of the Bank for International Settlements containing suggestions for the amendment of Article 53 and other Articles of the Statute. The Governor referred to the difficulties created by the attitude of the Americans and after discussion it was agreed that the note be further considered next week.

~~14175~~  
CT 70.05

With reference to Minutes of the 21<sup>st</sup> October and earlier, regarding the vacancies on the Court to be filled next Spring, the Committee, after discussion, agreed upon the names of two candidates who seemed likely to be willing to allow their names in due course to be submitted to the Court of Directors.

SEC 7

The Governor having left the Committee the question of the selection of Governors for the ensuing year was considered in pursuance of an Order of Court of the 13<sup>th</sup> October 1932 and it was agreed to recommend to the Court of Directors that the Rt. Hon. Montagu Collet Norman, D.S.O., and Basil Sage Catterson, Esq. be invited to allow their names to be submitted to the Proprietors in due course for election to the offices of Governor and Deputy Governor, respectively.



Wednesday, the 6<sup>th</sup> November 1936.

Present

A full Committee.

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) A letter of the 29<sup>th</sup> October to Dominion Central Banks.

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

- (1) Rules of the Advisory Council of Directors and Staff as amended by the Council.
- (2) A letter from the Governor of the Reserve Bank of New Zealand regarding the portrait of W. J. Massey by Augustus John.

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:-

M. A. Metcalfe, an Auxiliary Woman Clerk: age 50 years on the 29<sup>th</sup> November next: service 17 years: £68 a year from the 30<sup>th</sup> November next inclusive.

- (2) That an allowance be granted during absence and in accordance with the scale to:-

Mrs. [redacted], Widow of [redacted], a Pensioner, formerly a compositor at 2<sup>nd</sup> John's Printing Works: £26 a year from the 1<sup>st</sup> October last inclusive.

- (3) That, subject to the agreement of the other member Banks to the scheme, a grant of £200 be made to the Portlands Sports Club in respect of the Bank's proportion of the amount required to effect certain alterations and repairs to the Pavilion.

- (4) That the acceptance of the Lord Mayor's invitation to the Governor for the time being to become one of the Trustees of King George's Fields Foundation be approved.

6<sup>th</sup> November 1936.

The Governor acquainted the Committee of the following matters-

1. Bank for International Settlements

With reference to Minutes of the 28<sup>th</sup> October and earlier, the Governor read extracts from his letter of the 31<sup>st</sup> October to the President regarding the suggested alterations of the Statutes. The Committee were in agreement with the views expressed, viz:

1. That steps should be taken forthwith to make the dividend **non-cumulative**, leaving the question of any compromise with the Americans to be decided later.
2. That "Gold Standard requirements" should be eliminated from the Statutes
3. That the basis of the capital should be changed from Swiss Gold Francs to Swiss Francs.

2. International Paper and Paper Company of Newfoundland Ltd.

He laid before the Committee Mr. Walter Saylor's letter of the 2<sup>nd</sup> November and the plan of reconstruction, dated the 7<sup>th</sup> October, which accompanied it. The plan was regarded sympathetically by the Committee who would be glad to see it carried through in principle: certain amendments were however desirable and should be made if possible.

The Governor proposes to submit the plan to the Treasury forthwith.

3. Exchange Equalisation Account.

He proposes to ask Messrs. Deloitte to prepare a statement in one form or another as at the close of the present half-year as to the rightness and equity of the basis on which charges are made to His Majesty's Government for the management of the Account.

CT 100

1477

(25)

CT 100.02 (27)

CT 100.05

CT 100.66

1476

CT 192.02

CT 81

CT 50.03

CT 50.08

1477

Wednesday, the 11<sup>th</sup> November 1936.

Present-

A full Committee.

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.

The Quarterly Report of the Committee to consider the Securities of certain Funds was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors-

(a) That an allowance 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 an auxiliary Clerk: £55 a year from the 1<sup>st</sup> June last inclusive.

(b) That a donation of £100 be made to the Royal Bartswood Institution for Mental Defectives.

The Governor acquainted the Committee of the following matters-

(1) In the course of recent talks with the Governor of the Bank of Canada, he had learned that there was little prospect of the Canadian Government taking definite steps in the near future towards a settlement of five of their outstanding domestic questions, namely, Provincial Finance and the position of the Railroads.

The Governor asked the Committee to consider before their next Meeting the advisability of promoting action on this

CT 37-02 / 804

LS 39

CT 37



11<sup>th</sup> November 1936

side by parties interested in these two questions and the form any such action should take.

~~1416~~

CT 90.03

(2)

With reference to the Minutes of the 5<sup>th</sup> September 1936 and earlier regarding the position of Overseas Banks controlled by or affiliated to Clearing Banks, he asked the Committee to consider the making of an offer to the new Chairman of Barclays Bank for the purchase of the controlling interest that Bank has in Barclays Bank (Dominion, Colonial and Overseas) by virtue of their holding of 500,000 "B" Shares of £5 each - £1 paid.

~~1417~~

CT 100

(25)

CT 100.05

(21)

(3)

B.3.5

With reference to the Minutes of the 4<sup>th</sup> November and earlier as to the suggested amendments of the Statutes, it had been agreed at the recent Meeting of the Governors in Basle that no action be taken for the present.

~~1418~~

CT 100.01

(17)

With reference to the Minute of the 14<sup>th</sup> October, there was in certain quarters strong opposition at the moment to the suggestion that Dr. Bayen should be invited to succeed to the Presidency. He had been given to understand that an arrangement whereby Sir O.E. Naimyer would become President with Dr. Bayen as his alternate would meet with unanimous approval. The Governor, however, considered this would be a great mistake and would in fact be unacceptable to either person concerned.

As a possible, though unsatisfactory, compromise it had been suggested that Sir O.E. Naimyer might be appointed as formal President with a merely nominal salary to act as Chairman at Meetings of the Board with no alternate as such; Dr. Bayen to be elected a Director in his own right and to be appointed Vice Chairman at a full salary for a period of, say, three to five years, during which time he would reside in Basle and have full powers to conduct business. Under such an arrangement, Sir O.E. Naimyer would have no actual routine work and would be under no obligation to spend more time in Basle than he would wish.

In the meantime, he hoped that Sir O.E. Naimyer would be able to discuss the whole question with Dr. Ingh, M. Labeyrie and Dr. Schacht before the next Meeting.

*Handwritten signature*  
1418

Wednesday, the 18<sup>th</sup> November 1936.

Present:-

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Shaw  
Mr Hambro  
Sir Andrew Duncan  
Sir Edward Leacock  
Lord Hymalay

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) Draft Minutes of the November Meeting of the Board of the Bank for International Settlements.
- (2) A Report of the Committee on Advances and Discounts-
  - (a) on the discount business of the Bank for the month of October.
  - (b) on Advances granted under Paragraphs 13(b) of the Internal Regulations, and on special Advances.
- (3) Weekly Reports on Central Banks.

A memorandum by the Chief Cashier recommending certain alterations in the list of the holders of appointments who are "ex officio" Officials-in-Charge, or eligible for appointment as such, was submitted and approved.

It was agreed that no response be made to the Appeal for the Westminster Abbey Organ Fund.

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

- (1) Minutes of the Committee on Advances and Discounts recommending-
  - (a) the re-opening of a discount account.
  - (b) the continuance of facilities granted to certain customers in regard to Advances, etc.
- (2) A Minute of the Staff Committee recommending appointments, etc.

It was agreed to recommend to the Court of Directors that pensions be granted during pleasure to the

~~1-6-70~~  
CT 60 12

12<sup>th</sup> November 1936

following Compositors at St Luke's Printing Works.

In accordance with the Scale.

William Stours -	age 66 years: service 20 years: £31.9.6 a year from the 20 <sup>th</sup> December next inclusive.
Under the terms of an Order of Court of the 9 <sup>th</sup> April 1936	
A. A. R. Jettis	age 63 years: service 21 years: £87.7.6 a year from the 10 <sup>th</sup> January next inclusive.
C. H. Dore	age 63 years: service 21 years: £84.14.8 a year from the 1 <sup>st</sup> January next inclusive.
A. W. Green	age 66 years: service 19 years: £78.4.4 a year from the 1 <sup>st</sup> January next inclusive.
George Cox	age 63 years: service 19 years: £72.13.6 a year from the 14 <sup>th</sup> March next inclusive.
J. C. Newport	age 61 years: service 19 years: £57.13.8 a year from the 1 <sup>st</sup> January next inclusive.
J. W. Ains	age 64 years: service 19 years: £63.19. a year from the 1 <sup>st</sup> January next inclusive.
H. J. Banks	age 59 years: service 16 years: £49.5.8 a year from the 1 <sup>st</sup> January next inclusive.
J. C. B. Harrison	age 65 years: service 15 years: £54.11. a year from the 1 <sup>st</sup> January next inclusive.
George Billington	age 64 years: service 13 years: £41.5. a year from the 1 <sup>st</sup> January next inclusive.
A. V. King	age 67 years: service 13 years: £46.2.6 a year from the 1 <sup>st</sup> January next inclusive.

The Governor acquainted the Committee of the following matters -

1852

CT 85

(1) He read the Minute of the Bankers' Meeting of the 5<sup>th</sup> November regarding the recent rise in Stock Exchange prices and the possibility of a position of over-speculation.

1878

CT 100.01

(11)

(2) With reference to Minutes of the 11<sup>th</sup> November and earlier, he read his letter of the 16<sup>th</sup> November to Dr. Schacht regarding the Presidency of the Bank for International Settlements.

1887

Office File P30

(3) Mr. Clay had been invited by the Secretary of the Economics Section of the League of Nations to serve on a small Committee which was being set up at Geneva to collect and examine statistics of capital



18<sup>th</sup> November 1936.

capital accumulation in different countries. Mr. Clay would like to assist in this work which would occupy only a short time and the Governor had agreed that he should accept the invitation.

CT 168 ~~1826~~(4) Council of Foreign Bondholders.

The President had invited the French, Dutch, Swiss and Belgian Committees to meet his Council in London next month. This would be the first time these Committees had thus been brought together here and the President is arranging a dinner at which the Governor had agreed to be present.

As it is not possible for the representatives of the American Bondholders to be present at the meetings, Lord Bessborough proposes that Mr. Reid should shortly proceed to the United States and is anxious to find a suitable person to accompany him. The Governor asked the Committee to suggest names.

CT 41 ~~1630~~CT 113-03 ~~1775~~(5) Hungarian Standstill Bills.

With reference to the Minutes of the 23<sup>rd</sup> October and earlier, the Chairman of the Joint Committee of British Short-term Creditors had called to see him regarding the private notice given to the Chairman of the Accepting Houses Committee that these bills would no longer be eligible for rediscount at the Bank after the 15<sup>th</sup> July 1937. The Governor read the letter he had subsequently received from Lord Wardenburg.

~~1916~~  
CT 40-03

With reference to the Minutes of the 11<sup>th</sup> November the Committee having further discussed the question of making an offer to Barclays Bank Ltd. for the control of Barclays Bank (Dominion, Colonial and Overseas), it was agreed that the matter be again considered next week.

CT 37 ~~1637~~CT 37-02 ~~1637~~

The desirability of promoting action free by parties interested in the questions of Canadian Provincial finance and the Railroads was again discussed and it was agreed that no useful purpose would be served by taking action at the present time. The Governor proposes to bring these matters before the Committee after the expiration of a period of, say, 6 months.

18<sup>th</sup> November 1936.L45.  
CT 70.03Direction.

The Secretary read a note dated the 16<sup>th</sup> November outlining arrangements made with one of the two candidates referred to in the Minute of the 23<sup>rd</sup> October.

The Committee agreed upon the name of a third candidate to whom an invitation might be extended should need arise.

Wednesday, the 25<sup>th</sup> November 1936Present :-

The Governor  
The Deputy Governor  
Mr Shaw  
Mr Hambro  
Sir Andrew Duncan  
Sir Edward Hacoek  
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 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 the generous offer of Sir Henry Strakosch to present to the Bank his collection of Paper Money, etc., be accepted with gratitude and that appropriate arrangements be made for exhibition.

L46.  
CT 90.03

With reference to the Minutes of the 18<sup>th</sup> November and earlier the Committee agreed that, if an opportunity presented itself, the Governor might make a definite offer to the Chairman of Barclays Bank to take over for cash their interest in Barclays Bank (Dominion, Colonial and Overseas) at a price to be mutually agreed upon.

The Governor acquainted the Committee of the following matters -

1.

At his request the Chairman of the Committee to consider

L45.  
CT. 50.01

25<sup>th</sup> November 1936

consider the Securities of certain Funds had reviewed the investments of the Banking Department and had expressed himself as being satisfied with the nature and distribution of the assets.

CT 168.

~~1826~~(2) Council of Foreign Bondholders

With reference to the Minute of the 18<sup>th</sup> November regarding Mr Reid's proposed visit to the United States, he suggested the name of Sir O.E. Nimsger, a Member of the Council, who, if it could be arranged, would be willing to accompany Mr Reid. Quite apart from other and more personal considerations, Sir O.E. Nimsger's knowledge of the financial conditions in Argentina and Brazil would be of particular value in any discussions relating to South American indebtedness.

The Committee agreed to the suggestion.

CT 100.03

~~1878~~

(48)

CT 100.04

~~1884~~(3) Bank for International Settlements

The suggestion in his letter of the 22<sup>nd</sup> October to the President of the B.I.S. as regards the vacant post on the Managerial Staff has been approved by Dr Inge and he now proposes that the position should in the first place be offered to Mr Sourin.

~~1849~~  
CT 119.(4) Empire Central Banks - Meeting in London 1937

With reference to the Minute of the 2<sup>nd</sup> September, the Governors of the South African Reserve Bank, the Reserve Bank of New Zealand and the Bank of Canada had already signified their approval of the suggestion to hold unofficial Meetings of representatives of Empire Central Banks in London next Spring: no reply had yet been received from Australia. During to the resignation of the Governor, an approach to the Reserve Bank of India had been postponed but would be made later.

The Committee considered dates for the Meetings and it was provisionally agreed that Monday, the 21<sup>st</sup> May, might be suggested to the Dominion Banks as a suitable date for the first Meeting.

It was further agreed that hospitality should be extended generally to the representatives in whatever form might prove acceptable and that, in particular, steps be taken forthwith to ensure that hotel accommodation is available and that seats



25<sup>th</sup> November 1936 are provided for the Coronation Procession.

CT-45 18/15

SEC 10

(5) He referred to difficulties which had arisen with Whitehall owing to action recently taken in the City with the object of facilitating German Barter and other business on credit, approach having been made in this connection to the German Government without the knowledge of any Minister or Department of His Majesty's Government.

There was no question of the present action being illegal but it was perhaps not in accord with Departmental policy. At the moment any mention of credits to Germany was linked in Parliamentary circles with the question of armaments as much as with the provision of raw materials for trade.

In the Governor's opinion, if the City and the Bank were not to lose that measure of freedom and goodwill which they have maintained up to the present time, it was imperative that the policy and wishes of H.M. Government, implicit as well as explicit, be ascertained informally before any transactions were discussed and be closely followed.

The Committee endorsed this opinion.

Wednesday, the 2<sup>nd</sup> December 1936

Present-

a full Committee

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 alterations 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 in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to-

has , Widow of , atkinson, formerly a

Sub-

2<sup>nd</sup> December 1926.Sub-Cashier: £70 a year from the 21<sup>st</sup> November last inclusive.

Mrs

Widow of pensioner, formerly a Grade I, Division 1 Clerk: £50 a year from the 15<sup>th</sup> November last inclusive.

The Governor acquainted the Committee of the following matters:-

Wire Life

Page 670.

(1) From time to time Special Committees had put forward recommendations which require the authority of a Supplemental Charter before being implemented. He laid before the Committee a note containing particulars of such proposals and of other matters which have arisen in this connection.

He asked the Committee to consider before their next Meeting whether these questions were of sufficient importance to warrant application for a Supplemental Charter at the present time.

1846.

CT 21

(2) A letter had been received inviting a representative of the Bank to a dinner in Helsingfors on the 12<sup>th</sup> December in connection with the celebration of the 125<sup>th</sup> Anniversary of the foundation of the Bank of Finland.

Arrangements had been made for Mr. Traffley Smith to attend and the Governor proposes to present a silver cigarette box to the Bank of Finland in commemoration of the Anniversary.

1864.

N/E

(3) In order that personal contact with the Bank of France might be maintained, Mr. Cottrell had gone to Paris on the 1<sup>st</sup> December for a short visit.

Historical Records

(4) With reference to previous Minutes regarding gifts from the Bank of Japan, he had now received a present from Mr. Yanagita, who had recently come to London as Mr. Murakami's successor. The Governor read Mr. Yanagita's letter of the 28<sup>th</sup> November.

CT 41 1850

CT 113.03 1850

(5)

Hungarian Standard Bills

With reference to the Minute of the 18<sup>th</sup> November

2nd December 1936

he read his letter of the 30th November to the Chairman of the Accepting Houses Committee written after he had discussed the subject with the Chairman of the Sub-Committee dealing with the Hungarian Standstill.

Wednesday, the 9th December 1936.

Present-

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Hambro  
Sir Andrew Duncan  
Lord Hyndley

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 following were submitted:-

Weekly Reports on Central Banks.

Fortnightly Letter to Dominion Central Banks.

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

A Minute of the Committee on Advances and Discounts recommending the reopening of a Discount Account was submitted and referred to the Court of Directors.

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

(1) a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to:-

J. H. Lawford, a Cashier: age 65 years on the 17th December: Service 45 years: £587-8- a year from the 18th December next inclusive.

(2) a donation of £250 to be made to the Personal Service League.

This recommendation was made on the understanding that in no circumstances would the League appeal to the Bank for a further donation.

The Governor acquainted the Committee of the following matters:-

(1)

With reference to the Minute of the 1st October the Committee

Office File  
Court Papers 46-36.

ex 90 4557.



9<sup>th</sup> December 1936.~~1557~~  
CT 90

Committee of London Clearing Banks had agreed to classify and publish yearly in October particulars of their aggregate advances on the basis of the recommendation contained in the Macmillan Report. Figures based on the existing September - November 1936 classifications were already prepared.

~~1550~~  
~~1550~~  
CT 183

(2) With reference to the Minute of the 27<sup>th</sup> November 1935 he had agreed that Mr. Bruce Gardner should accept an invitation to serve for a further year as Chairman of the London Iron and Steel Exchange.

~~1599~~  
CT 181

(3) He read his letter of the 3<sup>rd</sup> December to Mr. Nigel Campbell agreeing to his serving on a small Committee formed to prepare a report on the Cotton Industry which would be presented to the Chancellor and to the President of the Board of Trade. The report would be entirely confidential and the personnel of the Committee would not be made known.

~~1614~~  
Office File P52

(4) With reference to the Minutes of the 7<sup>th</sup> October and earlier he had recently seen Sir Peter Bark who, although making a good recovery from his recent illness, was not yet in a fit state to discuss business matters. It was therefore impossible at the moment to decide as to the form in which permanent assistance could be afforded to Sir Peter and Lady Bark. Sir Bertram Hornsby had, however, agreed that the payment from the Anglo-International Bank should continue for the time being at the present rate and the Governor proposes, subject to the Committee's approval, to pay the fee of £2500 a year from the Bank for a further period of, say, 3 months.

The Committee concurred.

~~1689~~  
CT 35

(5) He had formed the impression in the course of several conversations with Mr. Nash, the New Zealand Minister of Finance, that as the result of the New Zealand Government's policy there were likely to be a number of practical problems confronting banks operating in New Zealand in connection with their transactions with London. The Governor had therefore arranged with Mr. Nash that he should meet here on the 17<sup>th</sup> December representatives of each of the six banks operating in New Zealand for an informal discussion with the object of exploring the situation as it exists, and as it may be.

9th December 1936.

1876

CT 39

(b) He read the draft of a letter from Sir J. W. Leth-ross to the Chief Manager of the Chartered Bank of India, Australia and China, relative to the attitude to be adopted by the British banks in China to the Chinese Income Tax proposals. The draft had been prepared in agreement with the Bank.

1856

CT 6

(c) The Governor read his note of the 3rd December giving reasons against the suggestion put forward on behalf of the Association of Investment Trusts that pressure might be brought to bear on the Poles to transfer the full service on non-sterling securities in British ownership.

1861

(d) He laid before the Committee a Statement showing the amount disbursed by the Bank in respect of travelling expenses during the four years ended the 31st October 1936.

1876

CT 4501

(e) German Reich and Non-Reich Loans.

The Governor referred to the issue of 4% Sterling Lending Bonds in respect of the <sup>service of</sup> non-Reich loans under the Anglo-German Payments Agreement of 1936 and subsequent arrangements, and to the representations he had made to His Majesty's Government in that connection. The Chancellor had lately asked that the whole question of Reich and non-Reich loans should now be examined confidentially with a view to the preparation and submission to him of a comprehensive plan.

1876

CT 19202

(f) International Tour and Paper Co. of Newfoundland.

With reference to the minute of the 16th November regarding the plan of reconstruction submitted by Mr. Walter Taylor, M.P. were not prepared to introduce the legislation necessary to implement the proposals for the replacement of the 5½% "B" Mortgage debenture stock by debenture stock carrying interest at 3½%. The position would, however, be explored further from this end during the next few days in the hope that a similar plan might be evolved, acceptable to all parties, which would effect improvement in the debt and capital structure generally.

1872

CT 44

(g) He read the Minute of the 12th August as to the desirability in the existing circumstances of establishing personal contact with Washington and New York after the Presidential Election.

7 December 1936

With this object in view the Committee agreed that arrangements be made if possible early in the New Year for a representative or representatives of the Bank to visit the United States.

CT 168 +826

CT 17 +676

(12)

The Council of Foreign Bondholders had been approached by Mr. Valls, the London Manager of the Bank of Spain, regarding sterling funds received to cover interest due during the next few months on Spanish loans quoted here. Mr. Valls wished in some way to earmark the money so that it could not be used for any other purpose.

The funds stand in the name of the Spanish Government and the Governor read his letter of the 7<sup>th</sup> December to Lord Bessborough advising against negotiations with Mr. Valls in this connection, as any arrangements on the lines suggested might well lead to legal and diplomatic difficulties.

CT 95

CT 81 +71

CT 84 +826

CT 84-01

(12)

He referred to the present technical position of the Exchange Equalisation Account which was causing some embarrassment owing to the shortage of sterling resources. It had been provisionally agreed with the Treasury that the position should be met by a transfer of, say, £65 million of gold at par to the Issue Department, the fiduciary issue being reduced by a sum of, say, £60 million.

The Committee concurred.

Wednesday, the 16<sup>th</sup> December 1936.

Present:-

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Shaw  
Sir Josiah Stamp  
Mr. Hambro  
Sir Edward Pearce  
Lord Halden

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.



16<sup>th</sup> December 1936

It was agreed to recommend to the Court of Directors -

- (1) That a Special General Court of Proprietors be held at the Bank on Thursday, the 31<sup>st</sup> December, at 12 o'clock precisely, to consider an Address to His Majesty the King on the occasion of His Accession to the Throne.
- (2) That the Directors' Annual Audit be discontinued.
- (3) That an allowance be granted in accordance with the scale and under the provisions of the Trust Deed of the Suppannation Fund to Mrs [redacted] Widow of [redacted] formerly the Bookkeeper, £26 a year from the 25<sup>th</sup> October last inclusive.

The Governor acquainted the Committee of the following matters -

1. With reference to Minutes of the 9<sup>th</sup> December regarding a reduction in the amount of the Judiciary Issue, he read the Deputy Governor's letter of the 15<sup>th</sup> December and the Treasurer's reply of the same date.

2. In connection with transactions on behalf of the Exchange Equalisation Account, an Account had been opened at Ottawa with the Bank of Canada in the name of the Bank of England. Regarding this and similar accounts the Bank were affected only in their capacity as Agents of His Majesty's Government.

3. There had recently been some conflict of views in Whitehall on the question of the level of exchanges and Sir Frederick Leith-Ross had prepared a note on the "Balance of Payments" and Supplementary "Analysis of Exports" a copy of which had been sent to the Bank. The concluding summaries of Sir Frederick's note and Mr. May's comments thereon, which up to the present had been sent only to Sir Frederick, were laid before the Committee.

4. With reference to Minutes of the 25<sup>th</sup> November and earlier, Mr. Jaitton, the Chairman of Barclay's Bank (S.C. and O.) had called to see him on the 9<sup>th</sup> December in regard to the wish of that Bank to join the Association of Liverpool Clearing Banks as this would involve the opening of an account with the Liverpool Branch. The Governor had told Mr. Jaitton that as a matter of principle no facilities could be afforded here to a foreign operating Bank affiliated to or controlled by

16<sup>th</sup> December 1936.

a London Clearing Bank.

The Governor had taken the opportunity of discussing the question of the disposal by Barclays Bank of their interest in Barclays Bank (D.C. and O.) and in this connection had drawn the Chairman's attention to the rise of nationalistic sentiment in South Africa and Egypt and to the effect this must surely have on his Bank's business and position in those countries. Mr. Innes had agreed to discuss the whole question with the Chairman of Barclays Bank.

Office File  
CT 170

5. With reference to the Minute of the 2<sup>nd</sup> December, the note regarding questions which would involve application for a Supplemental Charter was again discussed and consideration thereof was deferred.

H.C. 37.  
CT 158

b He referred to the charges made by Messrs. Freshfields for their services to the Bank which over the past two years had amounted to approximately £1,200 each half-year. This sum appeared inadequate in view of the demands made upon the Partners' time and it might be fitting and proper for the Bank to offer to pay a sum over and above the ordinary charges, possibly by way of an annual retaining fee.

H. 12  
CT 44

7. With reference to the Minute of the 9<sup>th</sup> December, arrangements were being made for Mr. Hyman to proceed to the United States early in the New Year for a visit of two or three months. Mr. Hyman would go as an Economist and would make his headquarters at Princeton: his visit would have no formal connection with the Federal Reserve Bank, whose agreement was, however, being sought.

CT 100  
CT 100-01  
CT 100-038. B. 1.5.

With reference to Minutes of the 18<sup>th</sup> November and earlier as to the Presidency, it had been agreed at the recent Meeting of the Board to propose at the Annual General Meeting that Article 29 of the Statutes be amended so that the President need no longer be the Chairman or indeed a Member of the Board. It had been further agreed subject to this amendment that Dr. Meyer be nominated President for a period at a commensurate salary with the right to attend and to address Meetings of the Board.

Wednesday, the 23<sup>rd</sup> December 1936.

Present-

The Governor  
The Deputy Governor  
Mr Whigham  
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, 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 December Meeting of the Board of the Bank for International Settlements.

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

- (1) A Minute of the Staff Committee recommending appointments, etc.
- (2) A letter from Mr Bernard requesting permission to join the Board of Nathansons Nominees Ltd.

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

(1) a sum of £250 be subscribed to the Fund which is being raised as a tribute to Professor Sprague in order that his portrait may be painted for the Graduate School of Business Administration, Harvard University.

(2) compassionate allowances be granted during pleasure to -  
Mrs Eliza Wilson, Mother of A. J. Wilson, formerly a compositor at St. Luke's Printing Works, who died on the 6<sup>th</sup> November last: £26 a year from the 21<sup>st</sup> December last inclusive.

J. W. Buckland, formerly a compositor at St. Luke's Printing Works who quitted the service of the Bank on account of ill-health in February last at the age of 60 years, having completed 17 years' service: £29 a year from the 21<sup>st</sup> December last inclusive.

The Governor acquainted the Committee of the following



23<sup>rd</sup> December 1936

following matters -

~~1889~~  
CT 35

(1) With reference to the Minute of the 9<sup>th</sup> December, he had received from the New Zealand Banks a summary of the four suggestions considered of major importance which arose in the course of the discussions with Mr. Nash on the 17<sup>th</sup> December. The Governor read his letter of the 21<sup>st</sup> December to Mr. Nash who had undertaken to bring these suggestions to the notice of those concerned in New Zealand.

CT 45 ~~1889~~

(2) Arrangements had been made for Mr. Emil Puht, a Director of the Reichsbank, to be received and welcomed here during his forthcoming visit to this country.

~~1876~~  
CT 192-02

(3) International Power and Paper Co. of Newfoundland.

With reference to Minutes of the 9<sup>th</sup> December and earlier, he laid before the Committee a revised plan of reconstruction dated the 21<sup>st</sup> December. After discussion the Committee approved the plan in principle and the Governor proposes before proceeding further to ascertain whether it would accord with the views of the Board and of H. M. Treasury.

~~1862~~  
CT 100-03

(4) He laid before the Committee a communication he had received from Mr. S. B. Goodwin, at present Chief Accountant of the Bank for International Settlements, who was seeking some appointment which would more fully occupy his time and energy, and asked members of the Committee to bear the name in mind should a suitable opening present itself.

~~1862~~  
CT 85

(5) He proposes to discuss with the Clearing Bankers and with the Stock Exchange Committee the difficulties which are likely to arise in the future on account of the nature of a large number of the prospectuses which are now appearing, mostly in respect of small industrial concerns.

*Not*

Wednesday, the 30<sup>th</sup> December 1936.

Present -

The Governor  
The Deputy Governor  
Mr. Whigham  
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, 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 pensions be granted, in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund, to -

- J. V. Robinson, a Cashier: age 65 years on the 11<sup>th</sup> January next  
service 46 years: £528 - - a year from the 15<sup>th</sup>  
January next inclusive.
- L. B. Beale, an Auxiliary Woman Clerk (Section Leader) age 50 years  
on the 16<sup>th</sup> January next: service 17 years: £78.6 - - a  
year from the 17<sup>th</sup> January next inclusive.
- Laura Byrne, an Auxiliary Woman Clerk: age 50 years on the 18<sup>th</sup>  
January next: service 17 years: £68 a year from the  
19<sup>th</sup> January next inclusive.

The Governor acquainted the Committee of the following matters -

~~L 876~~  
CT 192.02

(1) International Paper and Paper Co. of Newfoundland.

With reference to the Minute of the 23<sup>rd</sup> December the suggested plan of reconstruction, dated the 21<sup>st</sup> December, had now been approved in principle by His Majesty's Treasury and he proposes to ask Mr. Walter Saylor to negotiate with the parent Company on the basis of this plan.

~~L 254~~  
CT 85

(2) With reference to Minutes of the 18<sup>th</sup> November he read his letter of the 28<sup>th</sup> December to the Chairman of the Committee of London Clearing Banks concerning the trend of Stock Exchange prices and the possible approach of a position of over-speculation in London.

30<sup>th</sup> December 1936  
Office File: C 13

~~844~~  
CT 36  
CT 95

(3) With reference to Minutes of the 16<sup>th</sup> December and earlier concerning questions involving application for a Supplemental Charter, he laid before the Committee a note dated the 29<sup>th</sup> December, consideration of which was deferred.

The Deputy Governor informed the Committee that arising from the letter of the 11<sup>th</sup> August from Mr. Postmus, which was submitted to the Committee on the 2<sup>nd</sup> September, Council's opinion had again been obtained as to the extent of the cover conferred by the policy taken out here in respect of Gold shipments to this country. Only one flaw of any importance had been revealed and when this has been remedied the Bank are advised that the cover afforded will be the most comprehensive obtainable.

The Governor referred to the fact that in effecting such insurances in this country on behalf of Central Banks, it must of necessity be stated that the fullest possible cover has been obtained and the Committee agreed that the bank thereby assume a moral responsibility should loss be incurred in consequence of some unforeseen happening which might not be covered by the particular Contract of Insurance.

Wednesday, the 6<sup>th</sup> January 1937

Present:-

The Governor  
The Deputy Governor  
Mr. Wigram  
Sir Edward Peacock  
Lord Hyndley

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

It was agreed to recommend to the Court of Directors -



6<sup>th</sup> January 1937

(1) Proposal for date of General Court for a dividend and for the election of Governors and Directors.

(2) That an allowance 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 1<sup>st</sup> class Clerk in the Accountants Department £35 a year from the 13<sup>th</sup> November last inclusive.

The Governor acquainted the Committee of the following matters -

CT 164 1826  
 1372  
 CT 44

(1) With reference to Minutes of the 25<sup>th</sup> November and the 16<sup>th</sup> December as to the suggested visits to the United States of Sir O. B. Morgan and Mr. Myrnes, respectively, cables had now been received from the Federal Reserve Bank and from the Institute of Advanced Students at Princeton saying that they would be gladly welcomed.

1657  
 CT 401

(2) With reference to Minutes of the 22<sup>nd</sup> July and earlier, the time had now expired during which the Bank had agreed to advance to the Commonwealth Bank of Australia, in case of need, up to £5 million. The Commonwealth Bank had not found it necessary to avail themselves of the facilities offered.

1686  
 CT 74

(3) He referred to previous discussions as to whether some greater measure of publicity was advisable regarding the Bank's activities and asked the Committee to reconsider the question in view of the situation now arising from the fact that so much of the Bank's work was on account of H.M. Government, as for example the Exchange Equalisation Account and the fiduciary issue. There appeared to be no suitable medium available at the present time for providing occasional explanations of the more important changes, such as had taken place of recent years.

The Committee concurred and it was agreed that the question must be held in abeyance for the time being.

CT 84-01 1876

The deputy Governor reported that the agreed period for the reduction in the fiduciary issue would expire on the 1<sup>st</sup> January after which the Treasury would be automatically requested to renew the present position for further periods.

CT 70-03

The Committee discussed questions arising from the selection of candidates for the election.

Wednesday, the 13<sup>th</sup> January 1937.

Present:-

The Governor  
The Deputy Governor  
Mr Whigham.  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Alington

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 December.
- (3) Report on the Non-Annual Staff for the half-year ended the 31<sup>st</sup> December 1936.
- (4) Report on the progress of mechanization during the half-year ended the 31<sup>st</sup> December 1936.

The following were submitted and referred to the Board of Directors:-

- (1) Staff Committee-
  - (a) Minute regarding appointments, etc.
  - (b) Quarterly Report as to Wages, Pensions, etc.
- (2) A request from Mr Cadbury for permission to join the Board of the "News Chronicle Ltd".

The Chairman of the Staff Committee reported that an Assistant, had been dismissed on the 12<sup>th</sup> January owing to his having had financial transactions in contravention of Rule 15 of the Rules and Orders for Clerks.

The Governor acquainted the Committee of the following matters:-

+249  
CT 119

- (1) With reference to Minutes of the 25<sup>th</sup> November 1936 and earlier as to the suggested private and informal Meetings in London of the Governors of Empire Central Banks, he outlined the arrangements so far concluded. He proposes to inform the Court of

B<sup>th</sup> January 1937

these arrangements and of the suggested subjects for discussion, although it was not yet possible to give a complete list of those who would attend.

CT100. *10378*

CT100.01 *477*

CT100.03 *(25)*

(2) Bank for International Settlements.

With reference to Minutes of the 16<sup>th</sup> December 1936, the proposed amendment to the Statutes rendered necessary by the terms of Dr. Kaizer's nomination to the Presidency had led to suggestions for further amendments, e.g., as to the powers of the President respecting certain appointments.

CT100.01  
CT60.01

Although the Governors were in general agreement that Sir O.B. Niermayer should be invited to succeed Dr. Kaizer as Chairman of the Board, the formal decision had been held over until March owing to Sir O.B. Niermayer's visit to the United States: the new duties would not interfere in any way with his present activities.

*1277*  
CT119.02  
CT79

(3) He proposes to write to Sir John Keith and enquire whether it were intended to arrange for the broadcast at the time of the Imperial Conference of a series of short talks on Imperial co-operations.

Wednesday, the 20<sup>th</sup> January 1937

Present -

2 full Committee

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 alterations 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 January Meeting of the Board of the Bank for International Settlements

The Governor acquainted the Committee of the following matters

1. In



20<sup>th</sup> January 1937~~LC 85~~  
CT 85

1. In consequence of the death of Sir Peter Birk, the question of affording assistance in one form or another to Lady Birk would have to be considered. There was, however, no immediate need as payment had yet to be made of the fee for three months at the rate of £2,500 a year which was authorised by the Committee on the 9<sup>th</sup> December last.

~~LC 85~~  
CT 85

2. With reference to the Minute of the 20<sup>th</sup> December 1936 concerning Stock Exchange speculation, he read a note of his talk on the 13<sup>th</sup> January with the chairman and deputy chairman of the Committee of London Clearing Bankers.

~~LC 85~~  
CT 85

3. Mr J. Gibson Jarvis was shortly visiting South Africa to examine the possibilities of establishing in that country a subsidiary company to the United Dominions Trust. The Governor had given Mr Jarvis a letter of introduction to Mr Postmus and read a letter of the 19<sup>th</sup> January which he had written to Mr Postmus in that connection.

Wednesday, the 27<sup>th</sup> January 1937

Present:-

The Deputy Governor  
Mr Whigham  
Mr Shaw  
Sir Josiah Stamp  
Mr Hambro  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymondley

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. The Quarterly Report of the Committee to consider the Securities of certain Funds.
2. The Report of the Audit Committee on audits taken by the audit Department between the 6<sup>th</sup> October 1936 and the 1<sup>st</sup> January 1937.
3. The Quarterly Report of the Staff Committee on -

27<sup>th</sup> January 1937

- (a) Examination of Principals of the various Offices in the Accountants, Cashiers and Secretary's Departments.  
 (b) "Overs" and "Shorts" in Cash, etc.

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

1. Pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

William Wood, a Cashier, age 65 years on the 1<sup>st</sup> February next - Service 45 years: £526.6 - a year from the 10<sup>th</sup> February next inclusive.  
 E. R. Fildes, an Auxiliary Clerk, age 65 years on the 2<sup>nd</sup> February next - Service 17 years: £171 a year from the 1<sup>st</sup> February next inclusive.  
 J. H. Hewitt, Senior Messenger to the Branch Banks Office, age 65 years on the 17<sup>th</sup> February next. Service 17 years: £135 - a year from the 18<sup>th</sup> February next inclusive.

2. The following donations be made -

- (a) £250 to Newnham College, Cambridge.  
 (b) £105 to Reetham Orphanage.  
 (c) £10 a year for five years to the Council for the Preservation of Business Archives.

The Deputy Governor acquainted the Committee of the following matters -

(1) With reference to Minutes of the 9<sup>th</sup> December 1936 and earlier, a classified return of the Clearing Banks' Advances based on the figures at the nearest available date to the 31<sup>st</sup> October 1936, had now been received and, in agreement with the Committee of London Clearing Bankers, would be published in the "Statistical Summary" at the end of the present month.

(2) He read a letter of the 22<sup>nd</sup> January from the Chancellor stating that from the political aspect he was satisfied that the grant of a credit in London to the French Government would be desirable if agreement on the terms and conditions could be reached with the Bank.

The Deputy Governor had accordingly notified the Chairman of the Clearing Bankers of the Chancellor's views although the Bank had previously informed the Bank of France that in their view such a credit would be inadvisable at the present time. It was of course understood that the Bank would not participate in the credit.

Wednesday, the 3<sup>rd</sup> February, 1937.

Present:—

The Governor  
The Deputy Governor  
Mr. Atkinson  
Mr. Shaw  
Sir Josiah Stamp  
Mr. Hambro  
Sir Edmund 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 of Directors—

(1) That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund:

E. M. Haig-Brown, a Cashier: age 63 years: service 43 years: £572:12:8 a year from the 1<sup>st</sup> June next inclusive.

A. E. Bradley, a Sub-Cashier: age 64 years: service 44 years: £554:3:4 a year from the 1<sup>st</sup> June next inclusive.

(2) That permission be granted to  
to open an account in the Drawing Office.

(3) That Mr. Hambury-Williams be nominated by the Bank for co-optation as a Member of the City of London Territorial Association in the room of Mr. Sutson.

The Governor acquainted the Committee of the following matters—

~~1886~~ (1) With reference to the minute of the 6<sup>th</sup> January as to the advisability of some greater measure of publicity regarding the Bank's activities, Sir Harold

Belmont

CT 74



3<sup>rd</sup> February,  
1937.

Bellman had made a somewhat obscure reference, in the course of a recent speech, to the relevant recommendations of the Macmillan Committee. In point of fact, those recommendations were closely met in the present day co-operation with the Joint Stock Banks. In the case of the Discount Market, it was obviously impossible to put them on notice as to a pending change in rates and the information given them each week was of necessity limited to an explanation of past happenings.

In its wider aspects the question of publicity was complicated by the fact that so many of the movements, regarding which explanation might be thought desirable, were the concern of the Chancellor. The Governor was, however, hopeful that something might be achieved if a suitable medium were found.

CT 119 ~~1749~~  
~~1815~~  
CT 27

(2.) He proposes to arrange for Mr Hubbard to visit Russia in the near future with a view to the preparation of a paper for the Empire Central Banks meetings on the financial and economic conditions in that country.

~~1763~~  
CT 45

(3.) Mr. Tarkenton had been asked by the Reichsbank to speak at the Annual General Meeting of the German World Economics Society to be held in Frankfurt from the 6<sup>th</sup> to the 8<sup>th</sup> May: he had agreed with Mr. Tarkenton that the invitation should be accepted. The subject of the talk would be the financing of trade and industry by British Banks and Banking Institutions.

~~1807~~  
CT 40

The Deputy Governor referred to recent negotiations regarding a credit to France which had been mentioned the previous week. The operation had finally taken the form of a credit of £40,000,000 to the French National Railways for a period not exceeding ten months with interest at 3½%. The contract provided that the Bank of France would hold either gold or sterling balances with

3<sup>rd</sup> February 1937

with the Bank of England in London for an amount equivalent to any portion of the credit outstanding at any time. As was to be expected the negotiations had proved extremely difficult and only three out of the five big banks had participated. The Bank of England had not participated in the credit nor had they been responsible for the negotiations

present  
list

Wednesday, the 10<sup>th</sup> February, 1937.

Present:—

The Governor,  
The Deputy Governor,  
Mr. Atkinson,  
Mr. Shaw,  
Sir Francis Stamp,  
Sir Andrew Duncan,  
Sir Edward Peacock,  
Lord Ryndley

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.

Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of January and on Special advances.

The list of subscriptions to Charities, &c., for the current year was submitted and approved.

The Report of the Committee on Advances and Discounts on the business of the Bank during the past year in regard to Advances and Discounts, &c., was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors that—

EX 70.03. 1045 (1) Invitations be extended to—

Mr. John Martin and  
Mr. Evelyn James Bunbury

to allow



10<sup>th</sup> February,  
1937.

to allow their names<sup>to be</sup> submitted to the Proprietors in April next to fill the vacancies on the Court consequent upon the retirement of Mr. Goschen on the 2<sup>nd</sup> July last and the impending retirement of Mr. Clegg.

(2) A pension on account of ill-health be granted under the provisions of the Trust Deed of the Superannuation Fund -  
E. M. Baxter, an Auxiliary Woman Clerk: age 45 years: service 18 years: equal to salary for one month as from the 12<sup>th</sup> February 1937 inclusive and thereafter £72 a year in accordance with the scale.

(3) A compassionate allowance be granted during pleasure to -

Miss [redacted] Sister of [redacted], a Compositor at St. Luke's Printing Works who died on the 15<sup>th</sup> January last: £26 a year from the 16<sup>th</sup> January 1937 inclusive.

1747  
EX 119

The Governor acquainted the Committee of the following matters -

(1) With reference to Minutes of the 13<sup>th</sup> January and earlier, the following arrangements had now been suggested for the entertainment of the representatives of Empire Central Banks -

24<sup>th</sup> May - An inaugural luncheon at the Bank, confined to Members of the Court, those attending the Conference, Advisers and certain Officials.

29<sup>th</sup> May - A Garden Party at Rochamplois to take the place of that usually held in July.

4<sup>th</sup> June - A Dinner to be held, if possible in the Hall of one of the City Companies, thus allowing invitations to be issued to the High Commissioners, London Commercial Bankers connected with the Dominions, visiting Commercial Bankers from the Dominions and other guests.

The Committee approved the suggestions.

(2) He refused



10<sup>th</sup> February, 1937.+631  
CT 138

(2) He referred to the letter of the 25<sup>th</sup> November 1929 from the late Sir William Keese regarding the delegation of some part of the legal work of the Bank to certain of his Partners, on the understanding that the responsibility rested with him. It had been the intention of Sir William Keese, in agreement with the Bank, that Mr. L. E. Poppriatt should be his personal successor on behalf of Freshfields so far as the Bank were concerned. The Governor proposes to tell Mr. Poppriatt informally of the Bank's concurrence with the wishes of Sir William Keese, and should it appear advisable he will later discuss the matter with the two senior Partners.

With reference to the Minute of the 16<sup>th</sup> December 1936, the Governor also proposes to take this opportunity of raising with Mr. Poppriatt the question of the adequacy of the fees paid by the Bank.

~~1882~~  
CT 85.

(3) With reference to the Minute of the 23<sup>rd</sup> December 1936, as to the nature of certain prospectuses recently issued, he read a minute of the Meeting of the Committee of London Clearing Bankers on the 4<sup>th</sup> February when he had placed before them particulars obtained from an analysis of Prospectuses issued during the last three years.

CT 100  
CT 100.01  
CT 100.03+1578  
(25)

(4) B. I. S. He outlined various amendments in the Statutes, consequent upon the separation of the Offices of President and Chairman of the Board, which had been agreed at the February Board Meeting: these amendments will be proposed for adoption at an Extraordinary General Meeting to be held at the time of the Annual General Meeting which had been fixed for the 3<sup>rd</sup> May.

CT 191

+1946

(5) With reference to the Minute of the 4<sup>th</sup> December 1935, Mr. Bamber's work in the reorganisation of the Insurance Companies was now practically complete. It had been arranged that Captain Oliver Lyttelton should succeed him as Chairman of the new London Insurance Corporation and Mr. Bamber would thus shortly be released from these duties.

Wednesday, the 17<sup>th</sup> February 1937.

Present:-

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Shaw  
Sir Josiah Stamp  
Mr Hambro  
Sir Edward Peacock  
Lord Apsley

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

Draft Minutes of the February Meeting of the Board of the B.I.S.

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

1. Staff Committee

- (a) Minute recommending promotions and increases in Salary under the 1936 Salary Scheme.
- (b) Report on the Annual Reports upon the Clerical Staff at the Head Office and Branches with recommendations for increases of salaries, etc.
- (c) Minute recommending appointments with a Report concerning the Class Salary of Grade I Division 2. Women Clerks and Typists.
- (d) Report with recommendations regarding the Rules and Orders for Clerks.

2. Committee on St. Luke's

Report on the Annual Reports upon the Administrative Staff and the permanent Clerical Staff at St. Luke's Printing Works with

- (a) Recommendations for promotion under the 1936 Salary Scheme.
- (b) Recommendations for the granting of Personal Salaries.

17<sup>th</sup> February 1937CT 64. ~~1828~~

It was agreed to recommend to the Court of Directors -

Superannuation Fund

- (1) That the Fund be based on a 3% rate of interest instead of  $3\frac{1}{2}\%$  as heretofore.
- (2) That the Bank's outstanding liability to the Fund be liquidated as follows -

A. Annual Contributions during the life of the Fund, in respect of current liability, calculated as follows -

Clerical Staff

1½% of the annual salaries of Male Clerks.

20% - - - - - Women -

Pensionable Mechanical Staff at St. Luke's Printing Works

£2½ a head for Men in the Service on the 1<sup>st</sup> February each year

£12 - - - - - Women -

Pensionable Non-Clerical Staff at Head Office and Branches

£30 a head for Men in the Service on the 1<sup>st</sup> February each year.

£12 - - - - - Women -

[Note: It is estimated that these annual contributions will amount to approximately £217,000 in all, of which sum approximately £20,000 a year will be paid to the bank by the St. Luke's Printing Works in respect of their Staff.]

- B. The balance of the liability which is in respect of existing Pensioners and the past services of the present Staff be liquidated as follows -

7 annual payments of £336,000

9 do £47,020

10 do £152,319

In each case the first payment to be made on the 27<sup>th</sup> February 1937.

- (3) That as from the 27<sup>th</sup> February 1937 the maximum amount to be accepted by the Bank as deposits from the Trustees be increased from £200,000 to £250,000.

Bank Provident Society

- (a) That the rate of interest to be allowed by the Bank to the Bank Provident Society on Deposits by Members be continued for the year ending the 28<sup>th</sup> February 1938 at the rate of  $3\frac{1}{2}\%$  per cent. free of Income Tax.



17<sup>th</sup> February 1907

(b) That the bank's guarantee to the Bankers' Provident Society of the amount in excess of two-thirds advanced to a Clerk on the mortgage of his house be subject to the following conditions -

(1) Loans in excess of two-thirds of the value will only be made in approved cases.

(2) Loans may be made up to nine-tenths of the value, or purchase price, whichever is the less, but no loan in excess of two-thirds of the value may exceed £1,200.

(3) Such loans are to be subject to the Society's usual terms as to interest and repayment.

(4) No such loan will be made to a Clerk who is less than 25 years old, or is below the rank of Grade II Class 3.

The Governor acquainted the Committee of the following matters -

LC 31  
CT 138

1. With reference to the Minute of the 10<sup>th</sup> February he read a letter from Messrs. Freshfields dated the 16<sup>th</sup> February signed by the senior partner suggesting for the Bank's approval that consequent upon the death of Sir William Leese the responsibility for the firm's conduct of all the bank's legal business should be entrusted to Mr. L. E. Popham.

The Committee agreed with the suggestion.

He also read a letter from Mr. L. E. Popham dated the 16<sup>th</sup> February respecting the amount of the fees paid by the Bank to Messrs. Freshfields in reply to which he proposes to say that the Bank will be willing to examine the underlying principle of a payment over and above the normal scale of charges when the next account is rendered.

7764  
Office Files  
P55.5P30

2. An Inter-Departmental Committee was about to be set up under the Chairmanship of Colonel Colville on Industrial Development in the Colonial Empire. Colonel Colville had asked that Mr. Gray might serve as a member of the Committee but to this he had been unable to agree. Colonel Colville had, however, accepted his suggestion that Mr. Jackson should be attached to the Committee in the capacity of an assessor.

CT 78 1878

3. With reference to the Minute of the 26<sup>th</sup> February 1906 as to the restrictions governing Messrs. J. and A. Scrimgeour's issue

business

17<sup>th</sup> February 1937

business, he had received a secret visit from Mr. Macdonald, who, without the knowledge of his partners, had expressed the wish that the firm might be relieved of these restrictions.

He had informed Mr. Macdonald, and the Committee agreed, that the bank could not approve the combination of Miscellaneous Issue Business with Trustee Issues on behalf of the Dominions or the Crown Agents but, as in the past, any exception for a particular issue would be considered as and when the occasion might arise.

1876  
CT 192.02

1. International Paper and Paper Company of Newfoundland With reference to the Minutes of the 20<sup>th</sup> December 1936 and earlier, the suggested plan of reconstruction dated the 21<sup>st</sup> December had not proved acceptable to the Parent Company. The Governor laid before the Committee a note dated the 16<sup>th</sup> February regarding the present position.

CT 181.01 1876  
CT 189

5. Lancashire Cotton Corporation With reference to the Minute of the 29<sup>th</sup> April 1936 regarding the subscription in cash for £250,000 5% Preference Stock, it had been stated in the scheme placed before the shareholders that this money would be procured by the B.L.D. It had therefore been thought advisable that the stock allotted in respect of this sum should be registered exceptionally for a period of, say, six months in the personal names of the Chairman and Secretary of the B.L.D.

CT 83 1876  
CT 81 1877

b. With reference to the Minute of the 16<sup>th</sup> December 1936 regarding Sir Frederick Leith-Ross' memorandum on the balance of payments etc., he read a note of the 12<sup>th</sup> February setting out the Chancellor's agreement that the declared principles which are supposed to govern the Exchange Equalisation Account should not be ignored nor the price of gold be pegged.

1876  
CT 39.03

7. With reference to the Minute of the 2<sup>nd</sup> September 1936, he wishes that all possible support should be afforded Mr. Rogers during his present mission in China. A question of some difficulty had recently arisen respecting the reorganisation of the Central Bank and its future control of the note issue. The Governor read the secret cable which, in agreement with the Bank,

17<sup>th</sup> February 1937

Sir Frederick Lath - Ross had sent to the Financial Advisor to H.M. Embassy in China, with the object of strengthening Mr Rogers' hands.

With reference to the Minute of the 1<sup>st</sup> July 1936, it had now been agreed with Mr Rogers that the present arrangements for his stay in China should be extended until, say, the 30<sup>th</sup> April.

~~18-2-37~~  
CT 70-04

8. He read a letter from Mr Cadbury requesting permission to join the Board of "The Governor's Pension Trust Ltd.", a Company to be formed in connection with the pension fund of Cadbury Brothers Ltd. In the Governor's view this directorship would in no way affect Mr Cadbury's position as a Director of the Bank and he does not therefore propose to refer the matter to the Court.

~~18-2-37~~  
CT 70-03

9. Candidates for the Direction. He read an extract from a letter of the 7<sup>th</sup> February from Sir Robert Henderson and his reply thereto.

~~18-2-37~~  
Sec 7

Wednesday, the 21<sup>st</sup> February 1937

Present -

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Shaw  
Sir Josiah Stamp  
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, etc., was read.

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

The Weekly Reports on Central Banks were submitted.

~~18-2-37~~  
N/E

It was agreed that the donation of £5,000 to Oxford University for the endowment and extension of the Bodleian Library, authorised by the Court on the 25<sup>th</sup> May 1932, be now paid.

~~18-2-37~~  
CT 95-01

The Deputy Governor acquainted the Committee that it had been found necessary for some time past to accept, both for the Exchange Equalisation Account and for the account of customers, Gold Bars which do not conform with the requirements laid down in the minutes of the 11<sup>th</sup> January 1931 and the 11<sup>th</sup> June 1933 but which, nevertheless,



24<sup>th</sup> February 1937.

nevertheless, are 'good delivery' in the London Gold Market: from time to time such bars have been transferred from the Exchange Equalisation Account to the Issue Department.

In order that the position might be regularised, the Committee agreed, subject to a review of the whole question in the event of a return by this country to the Gold Standard, to sanction purchases on behalf of the Issue Department, the Exchange Equalisation Account or customers of any bars which are 'good delivery' in the Market in accordance with the attached "specification of bars acceptable on the London Gold Market."

It was also agreed, the principle having been approved by His Majesty's Treasury, that, in the event of the Bank at any time requiring that millings and assays of bar gold delivered to them should conform to certain specific conditions, no customer should be called upon to bear any additional expense as a result of the imposition of such conditions in respect of gold previously purchased from and later resold to either the Exchange Equalisation Account or the Issue Department.

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:-

B. E. Smith, an Auxiliary Clerk: age 65 years on the 8<sup>th</sup> March next: service 18 years: £162 a year from the 9<sup>th</sup> March next inclusive.

J. V. Mackay an Auxiliary Woman Clerk: age 50 years on the 10<sup>th</sup> March next: service 17 years: £68 a year from the 11<sup>th</sup> March next inclusive.

2. That a donation of £50 be made to the British Empire League in response to an appeal for subscriptions towards the cost of entertaining Overseas visitors for the Coronation.

The Governor acquainted the Committee of the following matters:-

CT 168 1826

1. Council of Foreign Bondholders

While the temporary subscriptions mentioned in the Minutes of the 18<sup>th</sup> December 1935 and the 1<sup>st</sup> March 1936 had

21<sup>st</sup> February 1937

enabled the Council to improve its organisation and its usefulness, the formation remained archaic. It seemed that if the Council were to act efficiently as the sole channel for negotiations between holders in this country of foreign Bonds and the respective debtors, the time had now come when it should obtain a new Charter and undergo some further measure of reorganisation. At the same time the question of additional, and perhaps permanent, funds also needed consideration and the Governor asked the Committee to agree in principle that the Bank should be prepared to place at the Council's disposal, in one form or another, a sum of, say, £100,000, provided that further moneys were obtained from other sources and that all the required conditions were fulfilled.

After discussion the question was deferred for further consideration next week.

1870  
CT 69.07

2. With reference to reports at various times from visiting Directors regarding the progress of branch banks and the Agents' and Sub-Agents' houses, he proposes next week to bring forward suggestions for the appointment of a Special Committee to examine and report upon the whole question.

1875  
CT 70.03

3. He read a letter from the Governor of the South African Reserve Bank regarding the candidature of Mr John Martin.

1878  
CT 50.04

a. The estimated profits for the current half-year, after deducting all charges (including Income Tax and the amount of the annual contribution to the Superannuation Fund) and making provision for a dividend of 6%, amounted to £492,000.

£10,500 will be required to write off the amount expended during the half-year on mechanisation equipment and on the new pavilion at Rochampton.

CT 181.01 1880  
This left a sum of £482,500, to which will be added £62,500, the amount set aside as a reserve in respect of the interest on the Lancashire Cotton Corporation 6½% Debenture Stock, and £52,000, the book profit resulting from the transfer of the remainder of the Bank's holdings of Lancashire Cotton Securities to the Securities Management Trust at their original cost.

There was thus an estimated disposable surplus of £1,162,000 which it was proposed to transfer to Suspense account No. 1.

24<sup>th</sup> February 1937CT 50-24 ~~1848~~CT 64 ~~1848~~

5 The recent report received from the actuary of the Superannuation Fund disclosed a present liability for the past services of the Staff of £4,618,000 which, when the annual payment referred to above has been made, will be reduced to £4,063,000. He proposes forthwith to make entire provision for this liability which has to be met during the next nine years by adding to the amount of £1,165,000 already on Suspense account - Reserve for Pensions, the sum of £2,398,000 by transfer from Suspense account No 1.

CT 50 ~~1848~~~~1848~~

With reference to the Minutes of the 21<sup>st</sup> June 1936 and earlier, the Committee agreed after discussion that in principle the dividend on Bank Stock should continue in the future, be maintained at the present figure of 12% less Income Tax.

Present  
 1937

Wednesday, the 3<sup>rd</sup> March 1937.

Present:-

A full Committee

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

The Weekly Statement of Discounts and Advances granted to Bank 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) Fortnightly letter to Dominion Central Banks
- (3) The half-yearly Report of the Committee on the Permanent Control of Expenditure.

A Minute of the Staff Committee respecting Miss was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors-

- (1) That a Special Committee constituted as follows -

CT 68 ~~1870~~

CT 69.07



3<sup>rd</sup> March 1937

Mr. Nelson (Chairman)

Mr. Holland-Martin

Mr. Bennett

Mr. Hanbury-Williams

with Mr. [ ] as Secretary,

be appointed to consider and report to the Court of Directors as to -

- (i) The proper protection of the Bank's branch premises out of business hours and the general desirability, or otherwise, of Resident Agents and Sub-Agents
- (ii) The accommodation necessary to perform adequately the present functions of the Branches and the manner in which future developments are likely to affect the accommodation required.
- (iii) Whether any alterations in the present buildings are advisable and whether this should be met by -
  - (a) Alteration and reconditioning, or
  - (b) Rebuilding either on the existing or some other available site,
 and generally to consider and report upon any other matters affecting the Branches.

(2) That Mr. Hanbury-Williams be appointed to visit the Leeds and Hull Branches, jointly with Mr. Martin, in the room of Mr. Cadding who is precluded from so doing on account of an accident.

(3) That a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -  
 E.W. Riley, an Auxiliary Woman Clerk, age 66 years - since 21 years -  
 £8 6s a year from the 1<sup>st</sup> April next inst.

The Committee had before them a letter from Mr. Stanley Christopherson, Deputy Chairman of the Midland Bank Ltd. and a Trustee of the Forbanks Sports Club, with a proposal for the drawing up of a Deed appointing the Midland Bank Executor and Trustee Company Ltd. as Trustees to hold the Forbanks Sports Club ground on behalf of the member Banks.

It was agreed to recommend to the Court of Directors that consent be given in principle to the arrangement thus suggested. further that Mr. Martin be invited to represent the Bank as a Vice-President of the Forbanks Sports Club in the room of Mr. Clegg, whose name at present

24 March 1937

present appears as a trustee.

A draft of the proposed Trust Deed will be submitted to the Bank's Solicitors for approval.

~~1826~~  
CT 168

### Council of Foreign Bondholders

With reference to the Minutes of the 24<sup>th</sup> February and earlier, the Committee agreed in principle, after further discussion, that if the required conditions could be fulfilled the bank should be prepared to discuss a contribution to the Council's funds of a sum of, say, £100,000, preferably by contributions over a term of years.

The Governor acquainted the Committee of the following matters -

~~1822~~  
CT 77

1. In view of the pending retirement of Mr. E. J. Gosling from the firm of Hallens and Company, he proposes to recommend that Mr. C. J. Woodrow, the junior partner, should be appointed as Second Government Broker.

~~1864~~  
N/E

2. In pursuance of the policy of maintaining personal ties with other Central Banks, arrangements were being made for Sir O. B. Neimayer together with Mr. Clay and Mr. to proceed to Vienna for a short stay early in April. Sir O. B. Neimayer would proceed thence to Budapest.

Mr. Janslow was starting next week on a visit to the Baltic Countries.

CT 41.01  
CT 139.01

3. He laid before the Committee a letter of the 25<sup>th</sup> February from the Secretary of the Royal Institute of International Affairs conveying an invitation from the Council that he should serve in his official capacity as a Member of the Board which is to be constituted to advise the Council on the appointment of the Price Professor of International Economics at Chatham House.

The Committee concurred with the Governor's suggestion that subject to the approval in principle of the Court he would tell the Secretary of the Institute that the bank agreed to the "Governor for the time being or his nominee" being a member of the Board if the terms of appointment, etc. were approved by the Bank's Solicitors.

3<sup>rd</sup> March 1937~~1565~~  
CT 71

4. He read a letter of the 26<sup>th</sup> February from the Master of the Grocers' Company inviting him to become an Honorary Grocer. The Governor proposes to accept the invitation.

~~1037~~  
Historical Record

5. Dr. Tibbons, the Bank's Medical Officer, was this year Master of the Apothecaries' Company and the Governor feels it to be fitting that the occasion should be marked by a presentation from the Bank of a piece of plate.

CT 119

6. With reference to the Minutes of the 10<sup>th</sup> February and earlier, he proposes also that some small gift should be made to each of the Central Bank representatives who will attend the forthcoming meetings here.

~~1467~~  
Office File  
P52

7. With reference to the Minute of the 20<sup>th</sup> January, he had recently seen Lady Bark and told her that when Probate of the late Sir Peter Bark's Estate had been obtained, the Bank would endeavour to arrange that in one way or another she should receive a modest income commensurate with her own personal needs.

~~1516~~  
CT 45-02

8. He read his letter of the 26<sup>th</sup> February to Mr. E. H. Jervis regarding the succession to the Chairmanship of the German Bondholders Committee and the arrangements which had been made in agreement with all concerned. He also read Mr. Jervis's reply of the 1<sup>st</sup> March.

~~1458~~  
CT 6

9. It was understood that while Poland would pay the April coupon in respect of the Sterling Bonds, they were likely to default in October. There was consequently pressure in certain quarters for the imposition of a clearing, although, in general, opinion in Whitehall seemed to be against this course. The Governor referred to the great damage already inflicted by clearing agreements and to the likelihood of such a course in the present instance leading to repercussions in the United States and to a claim for similar action being put forward by the German Bondholders Committee.

~~1465~~  
CT 50

10. With reference to the Minute of the 8<sup>th</sup> July 1936 regarding the Bank's Reserves and to the Minute of the 26<sup>th</sup> February as to the maintenance in the future of a dividend of 12% per annum, he reviewed the present state of the Reserves in the light of an estimated normal annual surplus of about £300,000 and of the fact

that



3<sup>rd</sup> March 1937.

that entire provision had now been made for past liabilities to the Superannuation Fund.

The Governor proposes in agreement with the Committee to discuss with Lord Plender the position thus created and the policy which should obtain in the future.

*Spind  
1937*

Present-

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

Wednesday, the 10<sup>th</sup> March 1937

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 February.

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

1. Annual Reports of the Samaritan Fund, the Clerks' Guarantee Fund and the Special Pensions Reserve Fund.
2. Half-yearly accounts of St. Luke's Printing Works and of the Works Department.

The accounts of the Bank for the 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 5<sup>th</sup> April next of 16 per cent. less Income Tax.

It was agreed to recommend to the Court of Directors that the Agent of the Birmingham Branch be authorised to make a donation of fifty guineas in response to an appeal

10<sup>th</sup> March 1937

on behalf of the Royal Cripples Hospital, Birmingham.

The Governor acquainted the Committee of the following matters -

~~1874~~  
CT 78

1. With reference to Minutes of the 17<sup>th</sup> February and earlier as to the agreed restrictions governing the business of Messrs J. and A. Scrimgeour, he read a letter of the 3<sup>rd</sup> March from Mr. V.A. Malcolmson in which the suggestion was put forward that it should be left to three individual Directors of the Bank to decide from time to time as to what is, or is not, a suitable security for the Firm to sponsor. The Governor proposes to tell Mr. Malcolmson that this suggestion would not be entertained here, the existing arrangement, as set out in the correspondence with Mr. A.C. Scrimgeour in February 1936, being the only one acceptable to the Bank.

~~1866~~  
CT 57.

2. Mr. Arthur Chamberlain was attempting to raise a fund for propaganda purposes on behalf of the New Commonwealth Society and had called to see him on the 3<sup>rd</sup> March with the object of enlisting the Bank's support.

After discussion the Committee agreed that, apart from questions of personnel or of the Society's policy, the Bank could not support an organisation which might at any time be in conflict with the policy of H.M. Government.

~~1867~~  
N/E

3. Dr. Sprague would be in London on the 19<sup>th</sup> March for a short stay and he proposes that a room be placed at his disposal here.

~~1875~~  
CT 70 03

4. He read extracts from a letter he had received from General Smuts regarding Mr. John Martin's candidature for the Directorship.

CT 100 ~~1876~~  
CT 100-01 (17)  
(129)

5. B.I.S. With reference to the Minutes of the 13<sup>th</sup> January and earlier, it had been agreed by all present at the March Meeting of the Board that, subject to the alterations in the Statutes being passed at the Annual General Meeting, Sir O.B. Niemeyer should be elected Chairman of the Board for a period of three years. The invitation had been extended to Sir O.B. Niemeyer in his personal capacity, though in certain quarters it had at first been desired

that

10<sup>th</sup> March 1937.

that he should stand as the Nominee of the Governor in the hope that, by thus establishing the principle of representation by countries, a change in the National representation at the end of each period would be assured - this principle the present members of the Board had admitted in a Resolution whereby it was decided ..... "that on completing his term of office, a Chairman of the Board shall be succeeded by a Director of another nationality."

H578

(20)

CT 100-01

With reference to the Minute of the 15<sup>th</sup> March 1933 the Board expressed unanimous approval of the President's proposal that Mr. Hootch's name should be submitted to the Board for re-election at their next Meeting subject to his agreement being first obtained.

and  
[unclear]

Wednesday, the 17<sup>th</sup> March 1937.

Present.

The Governor  
The Deputy Governor  
Mr Whigham  
Sir Josiah Stamp  
Sir Edward Pearce  
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 alterations 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.

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

The Governor acquainted the Committee of the following matters -



17<sup>th</sup> March 1929+876  
CT 192-021. International Power and Paper Co. of Newfoundland.

With reference to the Minutes of the 17<sup>th</sup> February and earlier, the Governor laid before the Committee cables recently received from Mr. Walter Taylor outlining an arrangement with which the Parent Company were prepared to agree. Conversion of the Debentures would be left over until the position of the Newfoundland Company had improved. Meanwhile the capital position would be adjusted by cancelling the accumulated arrears of dividends on the Preference Shares, which would be non-cumulative until after December 1928, and by the subscription by the Parent Company for 200,000 Ordinary £1 shares. The cash position would be somewhat improved by a scaling down of the charge payable to the Parent Company in respect of sales. The Parent Company had also agreed that the voting rights should be allowed so as to give the Preference Shareholders voting control in the event of the dividends on their shares being in arrear for 12 months.

+768  
CT 193-

2. Sir Thomas Barlow had recently called to discuss with him the formation of a Site Development Company to adapt empty factories and to recondition industrial sites in Lancashire. The proposed capital of the Company, of which Sir Thomas Barlow would be Chairman, was £500,000, divided into £125,000 Ordinary and £375,000 Preference Shares. The Ordinary Shares would be taken by H.M. Government under the authority of a Bill shortly to be presented to Parliament. The District Bank and the London Midland and Scottish Railway had promised to take up 50,000 Preference Shares each and, subject to the approval of the Committee, the Governor proposed to take 30,000 Preference Shares if a similar subscription is obtained from each of the other banks with offices in Manchester.

+550  
CT 189-  
CT 171

3. In connection with the liquidation of Grace Bros. and Co., a question had arisen as to the disposal of their holding of 1 "A" Ordinary share of £100,000 of the G.L.D. in respect of which £100 had been paid. The Company had been informed that when the liquidation is otherwise complete in all respects, which will not be for some 12 months, the Liquidator should communicate with the Bank who would help him in the disposal of this share.

The Committee concurred with the Governor's view, that the Bank might then take over this share as the winding-up of the G.L.D. will be close at hand in 1928 or 1929.

17<sup>th</sup> March 1937

~~1897~~  
1897  
CT 95

h. He read the Minute of the 20<sup>th</sup> May 1936 as to the steps taken here to support the measures initiated in Paris at that time to restrict dealings in gold coin at a premium. Now that complete liberty in gold dealings is to be restored in Paris, he proposes, in agreement with the Governor of the Bank of France, that the restriction in the London Market which has never had any form of legal authority should be removed. He had written accordingly to Dr. Trup and Dr. Bachmann.

1898  
CT 100.03 (10)  
CT 100.04.

5. Bank for International Settlements With reference to the Minute of the 25<sup>th</sup> November regarding the managerial vacancy created by Mr. Forster's retirement, he considers it unwise to press for a British appointment during Sir O.E. Nimmeyer's forthcoming tenure of office as Chairman of the Board. The Governor proposes, therefore, that the post should be offered to a 'neutral' for this three-year period if someone can be found acceptable to Dr. Trup and Dr. Baeyer. At the moment he had in mind the name of Mr. Beindorn.

1899  
CT 85

b. The Stock Exchange With reference to the Minute of the 20<sup>th</sup> October 1935 as to the need of reform in certain ~~directions~~ <sup>directions</sup>, he had recently discussed with the Chairman of the General Purposes Committee the desirability of altering the present system under which the entire Committee is subject to annual elections. The Governor had suggested an arrangement whereby the Chairman and Deputy Chairman would be appointed for a period of three to five years with a reasonable salary and not more than one-third of the members would retire each year.

If these changes were made, the Committee should consider application for a Charter which would place their organisation on a proper footing vis-a-vis the Government for the time being.

1896  
CT 45  
CT 113.03

7. German Standstill Bills With reference to the Minute of the 17<sup>th</sup> June 1936, he proposes to arrange for the Principal of the Discount Office to give oral notice to each Accepting House and Bank, with the exception of the Clearing Banks, that by the 20<sup>th</sup> September next the total of their German Standstill Acceptances as at the 31<sup>st</sup> December 1936 should be reduced by at least 20%.

The Principal of the Discount Office would leave



17<sup>th</sup> March 1937

180

with each Accepting House a note of the maximum figure at which its German Standstill Acceptances should stand at the 30<sup>th</sup> September next with the request that an assurance should be given at the end of the period that the reduction had been made.

As regards the Clearing Banks the Governor will as far as possible make similar arrangements with the Chairman of their Committee.

1769  
Office File  
Files

8.

He read a letter of the 11<sup>th</sup> March from Mr. Hugh Smith regarding a joint appeal for £200,000 for the Queen's Institute of District Nursing and the National Hospital for Nervous Diseases, which it was stated had received the approval in principle of the Lord Mayor who, before giving his support, had asked Mr. Hugh Smith to ascertain whether the joint appeal would have the Governor's approval.

He proposes to tell Mr. Hugh Smith that he is willing to see the Lord Mayor concerning the joint appeal provided that those associated with the appeal for the Queen's Institute are confident of securing the £250,000 they require. He would, however, have to make it clear to the Lord Mayor that he could neither undertake to obtain the Bankers' support nor pledge the Bank to contribute.

1769

CT 60. 10  
CT 8.

In pursuance of the policy of maintaining personal contact with other Central Banks, it was proposed to send Mr. Raffley Smith to Oslo for a short visit. Mr. Mingie was shortly proceeding to Copenhagen for study purposes.

Wednesday, the 24<sup>th</sup> March 1937.

Present-

The Governor  
The Deputy Governor  
Mr. Wigham  
Mr. Shaw  
Sir Edward Peacock  
Lord Hyndley

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 alterations be recommended in the Bank Rate.

The Weekly Reports on Central Banks were submitted.



24<sup>th</sup> March 1937

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

With reference to the election of Members of the Committee of Treasury for the ensuing year, it was agreed to recommend to the Court of Directors-

That the Voting Papers be issued on Thursday, the 25<sup>th</sup> March.

That the Voting take place at the Court on the 8<sup>th</sup> April.

That Directors who so desire be allowed to record their votes after making their Declaration of Office on Wednesday, the 7<sup>th</sup> April.

That the votes be counted after Court on the 8<sup>th</sup> April.

It was further agreed to recommend to the Court of Directors that the Standing Committee be appointed on Thursday, the 15<sup>th</sup> April.

The Governor acquainted the Committee of the following matters-

CT 68. ~~1870~~  
+ CT 69-07.

1. With reference to the recent appointment of a Special Committee to consider the subject of the Provincial Branch Premises, &c., he had raised with the Chairman and Deputy Chairman of the Clearing Bankers' Committee the general questions as to whether these branches were in fact needed: in reply he had received a definite assurance that they serve a most useful purpose, not only to the Joint Stock Banks, but to the public generally.

The Clearing Bankers were now considering from their point of view the desirability of any changes in the geographical distribution of the branches or even of some addition to the present number.

CT 85. ~~1871~~

2. Pending the issue of their Report, the Committee on "Share Pushing", &c., had as an interim measure asked the Board of Trade to give an early warning to the public against fraudulent sellers of securities. It had been suggested by the Board of Trade that one of the channels through which this warning might be given was by means of a slip to be enclosed in Banking pass-books. The Governor had obtained the

24<sup>th</sup> March 1937

agreement in principle of the Clearing Banks to this course.

+344

CT 90.02

3.

He read a letter of the 17<sup>th</sup> March from Lord Warrington conveying an assurance from all the Clearing Banks that except in the case of the legitimate needs of merchants and manufacturers there was no sign of any increasing loans or advances having been taken to carry base metals or commodities. The position was, however, being carefully watched.

+344

(1)

CT 192

4.

With reference to the Minute of the 17<sup>th</sup> June last as to the desirability of the disposal of the Bank's controlling interest in Armstrong Whitworth and Co. Ltd., arrangements had virtually been concluded for the disposal by Armstrongs of the plant and buildings at Scotswood on terms considered satisfactory by Lord Plender.

Wednesday, the 31<sup>st</sup> March 1937

Present

The Governor

Mr. Whigham

Mr. Shaw

Sir Josiah Stamp

Sir Andrew Duncan

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 following were submitted -

Weekly Reports on Central Banks

Fortnightly Letter to Dominion Central Banks.

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

S. B. Southardin,

J. V. Burgess,

a Sub-Cashier: age 65 years on the 19<sup>th</sup> April: Service 45 years: £554.3.6 a year from the 21<sup>st</sup> April next inclusive.

an Auxiliary Honorary Clerk: age 50 years on the 7<sup>th</sup> April: Service 18 years: £72 a year from the 8<sup>th</sup> April next inclusive.

Catherine

3<sup>rd</sup> March 1937

Catherine Reilly, an Auxiliary Woman Clerk: age 50 years on the 13<sup>th</sup> April: service 18 years: £72 a year from the 11<sup>th</sup> April next inclusive.

George Staple, a House Porter and Watchman: age 65 years on the 7<sup>th</sup> April: <sup>service 18 years</sup> £85:3:4 a year from the 8<sup>th</sup> April next inclusive.

The Governor acquainted the Committee of the following matters -

CT 167  
~~LB 89~~  
~~LB 86~~  
 CT 168

### 1. League Loans Committee.

With reference to Minutes of the 20<sup>th</sup> October 1935 as to the possibility of ultimate amalgamation of the League Loans Committee with the Council of Foreign Bondholders, he proposes that the two bodies should now be brought into closer connection, although complete fusion was impracticable as membership of the Committee was international.

Arrangements, which it is anticipated will receive the approval of all the members of the Committee, are accordingly being made for Lord Bessborough to succeed the late Sir Austin Chamberlain as Chairman. The rooms now occupied in Bank Buildings will be given up and Meetings of the Committee will be held in the Council Room in Moorgate.

Mr Hoar will continue to act as Secretary and travelling and other expenses incidental to the work of the Committee will still be borne by the Bank.

~~777~~  
 CT 166

2. A proposal that the Financial Committee of the League of Nations should be governed by the same rules as the other Technical Committees had again been raised at Geneva and would come before the Council for formal decision in May: under this proposal the tenure of members would be limited to three years. At the moment it appeared that no opposition would be forthcoming from Whitehall.

The success which had attended the work of the Committee was in large measure due to the fact that it was not constituted on a political or national basis but depended upon the technical knowledge and personal prestige of its individual members. In the Governor's view



3<sup>rd</sup> March 1937

Independence and continuity of membership were essential if the influence of the Committee were to be maintained.

The four original members of the Committee still serving -

Mr Janssen

Sir O. B. Narmayer

Sir Henry Strakosch, and

Mr J. J. Heulin

intended to resign if the proposed alteration in the constitution became effective.

1876

CT 19202

### 2. I. P. P. Company of Newfoundland Ltd

With reference to the Minutes of the 17<sup>th</sup> March and earlier, he read his letter to the Treasury regarding the agreement dated the 16<sup>th</sup> March with the International Paper Company.

1876

CT 40

He laid before the Committee a translation of extracts from articles written by M. Moreau which had appeared in the "Revue des deux Mondes". Under the title "The financial and monetary recovery of France (1926-1928)" the writer deals with the negotiations between the Governor and himself, as Governor of the Bank of France, in connection with the repayment of the credit granted to that institution by the Bank of England during the War.

No one here had been consulted regarding the publication of these articles.

Wednesday, the 7<sup>th</sup> April 1937.

### Present.

The Governor.

The Deputy Governor  
Mr. Whigham

Mr. Shaw

Sir Josiah Stamp

Sir Andrew Duncan

Sir Edward Peacock

Lord Hymaley

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.

1<sup>st</sup> April 1939

The Governor acquainted the Committee of the following matters -

~~1578~~  
ET 78

1. Messrs J. and A. Scrimgeour With reference to the Minutes of the 10<sup>th</sup> March and earlier, he read letters from Mr. A. C. Scrimgeour of the 31<sup>st</sup> March and the 2<sup>nd</sup> April concerning the resignation from the firm of three partners, as from the 5<sup>th</sup> April, and the firm's decision to terminate forthwith the agreement of the 20<sup>th</sup> January 1933 relating to industrial issues. The Governor also read his letter of the 1<sup>st</sup> April to Mr. Scrimgeour, with whom he will discuss the position after he returns from Basle.

~~1576~~  
ET 174

2. At the request of the Prime Minister and of the Board of Trade he had undertaken to arrange for a general investigation of the film industry in this country: Mr. Bunbury and Mr. Skinner would assist in this inquiry.

~~1578~~  
ET 115.01

3. He read his letter of the 1<sup>st</sup> April to the Treasury regarding the draft of a new Southern Rhodesia Consolidating and Amending Loans Bill which had been sent to the Bank for comment. The amendments include -

- (a) Power to borrow an increased amount by Treasury Bills or advances in anticipation of a loan;
- (b) Authority for the Trustees of the Loan Sinking Funds to invest in any Dominion or Colonial Government (Trustee) Stocks.

He took exception to both these amendments and in connection with the latter read his letter to the Treasury of the 5<sup>th</sup> October 1923.

Members of the  
Committee of Treasury

for the year 1937/8.

(Elected 8<sup>th</sup> April 1937)

The Governor  
The Deputy Governor.

Lord S. Just.  
Mr. Whigham  
Mr. Shaw

Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock.

Lord Hyndley

Wednesday, the 11<sup>th</sup> April 1937.

Present-

The Governor  
The Deputy Governor  
Lord S. Just.  
Mr. Whigham  
Mr. Shaw  
Sir Josiah Stamp  
Sir Andrew Duncan  
Lord Hyndley.

The <sup>draft</sup> 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. (a) That the following Committee be appointed for the

Chairman



14<sup>th</sup> April 1927.

current year, viz:-

Audit Committee.

Mr. Kilson  
 Mr. Cooper  
 Mr. Cadbury  
 Mr. Hambury

Committee on Advances and Discounts.

Mr. Marks.  
 Mr. Hambro  
 Mr. Bernard  
 Mr. Hambury

Staff Committee.

Mr. Holland-Martin  
 Mr. Lubbock  
 Mr. Wear  
 Mr. Bernard  
 Mr. Cadbury  
 Mr. Hambury-Williams  
 Mr. Martin  
 Mr. Hambury.

Committee on St. Luke's.

Mr. Whitworth  
 Mr. Holland-Martin  
 Mr. Bernard  
 Mr. Hambury-Williams  
 Mr. Hambury

Committee to consider the Securities of certain Funds

Mr. Whigham  
 Mr. Hambro  
 Mr. Hambury

Committee on the Rebuilding of the Bank.

Mr. Borch  
 Mr. Gladstone.  
 Mr. Holland-Martin  
 Mr. Wear

Committee on the Permanent Control of Expenditure.

Lord Hyndley  
 Mr. Cooper  
 Mr. Holland-Martin  
 Mr. Hambury.

11<sup>th</sup> April 1937

(b) That, consequent upon the appointment by the Court of the 1<sup>st</sup> March 1937 of a Special Committee on Branch Matters, it be left to Mr. Kitson, as Chairman of that Committee, to make arrangements for the usual Directors' Visits to the Branches and subsequent Reports to the Court during the current year.

2. That Mr. E. Holland-Martin and Mr. E. J. Duntury be appointed Executive Directors for the current year, and

3. That the following proposals be adopted for the payment of special remuneration, in addition to their normal fees, to Members of the Court whose exclusive services are engaged by the Court:-

- (a) Mr. B. G. Collins, the Deputy Governor: to be paid at the rate of £5000 a year from the 1<sup>st</sup> March 1937 inclusive.
- (b) Mr. E. Holland-Martin: to be paid at the rate of £4500 a year from the 1<sup>st</sup> March 1937 inclusive.
- (c) Mr. E. J. Duntury: to be paid at the rate of £3500 a year from the 3<sup>rd</sup> April 1937 inclusive.

4. That an additional payment of £325 be made to Mr. W. A. Cligg in view of the pecuniary loss sustained by him on account of Income Tax and Surtax liability incurred through his having served as a Member of the Court of Directors for the year 1936/7 to meet the Bank's convenience.

5. That Mr. [redacted] of the Firm of Hutches and Company be appointed a Scrutiniser in the room of Mr. [redacted], who has recently resigned the office.

b. That pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to

Mr. P. Jones, a Grade I Division 2 Woman Clerk: age 69 years: since 20 years: £112.16/- a year from the 11<sup>th</sup> May 1937 inclusive

S. P. Saltin, a Stores Clerk at S. P. Saltin's Printing Works: age 69 years: service 35 years: £140.19/- a year from the 30<sup>th</sup> May 1937 inclusive.

With reference

14<sup>th</sup> April 1937CT 41 ~~1676~~CT 45 ~~1676~~CT 113.03 ~~1248~~

With reference to the Minutes of the 17<sup>th</sup> March and earlier, the Governor reviewed the position regarding the German and Hungarian Standstill Debts. He feared that, as matters now stand, the credit of Acceptors might be immobilised over a long period of years.

An opportunity might soon arise, however, for considering and perhaps discussing some new arrangements whereby the Reichsbank and the National Bank of Hungary on the one hand might intervene as regards the debts of their respective Nationals, with the Bank of England on the other hand acting similarly as regards the corresponding creditors in this Market.

Wednesday, the 21<sup>st</sup> April 1937

Present:-

The Governor  
The Deputy Governor  
Lord's Just.  
Sir Josiah Stamp.  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Windley

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

The Weekly Statement of Disbursements 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 April Meeting of the Board of the Bank for International Settlements.

It was agreed to recommend to the Court of Directors that the Agent of the Manchester Branch be authorised to make a donation of £500 in response to an appeal on behalf of the University of Manchester.

CT 72.02 ~~1864~~

It was agreed that, as the Coronation is to take place on Wednesday, the 12<sup>th</sup> May, the Meeting of the Committee in that week be held on Tuesday, the 11<sup>th</sup> May, at the usual time.



21<sup>st</sup> April 1937

The Governor acquainted the Committee of the following matters -

Office File P30/857  
N/E 4650

(1) He had agreed that Mr. Clay should accept an invitation from Mr. Bruce Gardner to speak at the Annual lunch of the Iron and Steel Exchange on Tuesday, the 8<sup>th</sup> June.

~~7028~~

SEC 10

(2) On the 17<sup>th</sup> September 1930, after the advent of the Bank for International Settlements, and on the 1<sup>st</sup> October 1931, after the suspension of the Gold Standard in this country, he had discussed with the Committee the difficulties which would inevitably arise from the fact that oral communications, risen on questions affecting policy, must in the future pass between Officials of the Treasury and Officials and Advisors here. The Governors were thus no longer the sole connecting link between the Bank and H.M.S.

As a further instance of this position, Mr. Clay had upon his return from Austria been personally invited to the Treasury to discuss various questions of policy. In the circumstances there had been no alternative but to agree that Mr. Clay should accept the invitation.

4876  
CT 192.02

(3) International Power and Paper Co. of Newfoundland.  
With reference to Minutes of the 31<sup>st</sup> March and earlier as to the Agreement of the 16<sup>th</sup> March with the Parent Company, which must be submitted to special Meetings of the various classes of shareholders for confirmation, he laid before the Committee Mr. Walter Taylor's letter of the 16<sup>th</sup> April and the Bank's reply authorising him to purchase at a reasonable price all the 5% Preference Shares, amounting to 80,000, which are not in the ownership of the Bank.

~~7028~~  
CT 123.

(4) With reference to Minutes of the 3<sup>rd</sup> July 1935 and earlier as to the Bank's holding of shares of the Anglo-International Bank, an enquiry had recently reached the Bank through the Stock Exchange as to the possibility of acquiring the entire share capital, or, alternatively, a large block of shares.

It was felt that the suggested transfer of control would neither be in accordance with the arrangement between the Treasury and the Bank, referred to in the Minute of the 27<sup>th</sup> April 1927, nor further the objects and intentions under which

21<sup>st</sup> April 1937

which the Anglo-Austrian Bank was originally formed and subsequently developed. The Bank had therefore replied that they were unable to consider the proposal.

1775  
CT 40

(5) With reference to the Minute of the 31<sup>st</sup> March, in the course of conversation at Basel on the 12<sup>th</sup> April, Monsieur Fabryrie, speaking for the Bank of France and on his own behalf, had expressed deep regret at the publication in the "Revue des deux Mondes" of the articles by Monsieur Moreau. The French had decided to take no official action as it was thought this might lead to undesirable controversy and only exaggerate the importance of the articles.

The Governor read the letter he had subsequently written to Monsieur Fabryrie.

1774  
Office File B2.01

(6) With reference to Minutes of the 3<sup>rd</sup> March and earlier as to the provision of a modest income for Lady Bark commensurate with her own personal needs, he had now learned that the Estate of the late Sir Peter Bark would yield a gross income of between £250 and £300. The Governor proposes, in consultation with others who may be concerned, to arrange for the purchase of an annuity of an amount which will assure to Lady Bark a total gross income of about £1,000. So soon as these arrangements shall have been completed, a formal recommendation will be submitted to the Court.

To this end, the Committee agreed that the Bank should contribute up to £5,000.

Wednesday, the 28<sup>th</sup> April 1937

Present-

The Governor  
The Deputy Governor  
Lord S. Just.  
Mr. Whigham  
Sir Josiah Stamp  
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 Bull Brokers, etc., was read.

It was agreed that no alterations 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 March.

CT. 69 of ~~1937~~

The Interim Report of the Special Committee to consider questions relating to Branch Business, etc., was laid before the Committee.

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

1. Staff Committee:

- (a) Minute recommending appointments, etc.
- (b) Quarterly Report regarding wages, pensions, etc.

2. Committee on Advances and Discounts -

Minute recommending the re-opening of two Discount Accounts.

With reference to the Order of Court of the 15<sup>th</sup> April 1937 dealing with the arrangements for the usual Directors' visits to the Branches during the current year, it was agreed to recommend to the Court of Directors that the Bank should, upon the several occasions when visits to the Branches are made this year, pay the out-of-pocket expenses incurred by <sup>the</sup> Directors in respect of such visits instead of the usual allowance of ten guineas payable under Order of Court of the 27<sup>th</sup> February 1936.



22<sup>nd</sup> April 1929

It was further agreed to recommend to the Court of Directors that an allowance 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 Head Bookman, Guildford House, 5, Luke's Printing Works: £26 a year from the 12<sup>th</sup> April last inclusive.

1815  
27 27

With reference to the Minute of the 21<sup>st</sup> November 1925 regarding the opening of an account in the Drawing Office in the name of the State Bank of the Union of Soviet Socialist Republics, the Governor read his letter of the 21<sup>st</sup> April advising the Treasury that the Bank expected to market for the account of the State Bank any Russian gold which may from time to time be sold in London to meet sterling payments.

Facilities which were thus made available to the Russians had been offered at the express wish of H.M.G., for whom the Bank were acting in the capacity of Agents.

1815  
27 27

Wednesday, the 5<sup>th</sup> May 1929

Present-

The Governor  
The Deputy Governor  
Lord S. Just.  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymondley

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 alterations be recommended in the Bank Rate.

The Weekly Reports on Central Banks were submitted.

The Quarterly Report of the Committee to consider the Securities of certain Funds was submitted and referred to the Court of Directors.

5<sup>th</sup> May 1937

It was agreed to recommend to the Court of Directors that a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Suppension Fund to Horace Gray, Swiss Messenger to the Secretary: age 65 years on the 6<sup>th</sup> May 1937: service 20 years: £96.7.6 a year from the 1<sup>st</sup> May 1937 inclusive.

The Governor acquainted the Committee of the following matters:-

1795  
CT 40

1. Monsieur Moreau's Articles - Secrecy of informal conversations.  
With reference to the Minutes of the 21<sup>st</sup> April and earlier, he read a letter he had received from Monsieur Labeyrie dated the 21<sup>st</sup> April agreeing with the view expressed in the Governor's letter of the 19<sup>th</sup> April and confirming that this view is shared also by Messieurs Moret and Zannony.

CT 100. 1898  
CT 100.01 (47)  
CT 100.03 (25)

2. Basle.

(a) Annual General Meeting. With reference to the Minutes of the 10<sup>th</sup> March and earlier, the formal resolutions regarding the separation of the office of President from that of Chairman had been passed without comment. Sir O.B. Nimmiger's election as Chairman of the Board for the next three years was thus confirmed, as was also the appointment of M<sup>r</sup> Geiger as President of the Bank for a similar period.

1898  
CT 100 (27)

(b) European situation. He outlined his impressions of the general situation in Europe received as a result of the conversations he had had with the numerous representatives attending the Annual Meeting.

CT 111 1850  
1816  
CT 113.03 1845

(c) With reference to the Minutes of the 14<sup>th</sup> April and earlier, he had discussed with the Hungarians the future of the Standstill in the hope of reaching an agreement for its early termination. He feared, however, that his object would not be attained.

Mr. J. J. J.

Tuesday, the 11<sup>th</sup> May 1937

Present

The Governor  
The Deputy Governor  
Lord S. Just.  
Sir Edward Peacock.  
Lord Hynndley

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

The Quarterly Report of the Staff Committee on-  
(a) Examination of Principals of the various Offices in the Accountants, Cashiers and Secretaries Departments:

(b) "Overs" and "Shorts" in Cash, etc.

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 in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

Emma Dummer, an Auxiliary Woman Clerk: age 50 years on the 6<sup>th</sup> June 1937: service 18 years: £12 a year from the 1<sup>st</sup> June 1937 inclusive.

(2) that a donation of £500 be made in response to an appeal on behalf of the Queen's Institute of District Nursing.

The Governor acquainted the Committee of the following matters-

1. International Paper and Paper Company of Newfoundland.

With reference to Minutes of the 21<sup>st</sup> April and earlier, he read Mr. Walter Sautors letter of the 29<sup>th</sup> April

1876  
CT. 192.02



11<sup>th</sup> May 1937

reporting that the 80,000 Preference Shares had now been purchased on behalf of the Bank at a cost of 15/- per share.

1660  
CT 181.01

2. Lancashire Cotton Corporation The Committee were well aware that the Bank had taken a large share in starting and maintaining this organisation, which was now firmly established and in a prosperous condition. He thought the time would soon come for the Bank to liquidate their position and he hoped shortly to arrange through the Chairman and Managing Director that the Lancashire Cotton Corporation Securities at present owned by the Bank should be sold to investors mainly in Lancashire.

1215  
CT 27  
CT 95

3. The relationship between the supply and demand of gold had become a most difficult and acute Imperial and International problem, the recent large increase in Russian production being an important factor. He wished to bring this matter to the notice of the Committee as he felt that it was likely that, without further warning, serious consequences might result.

Subsequently, at a Meeting held on Thursday, the 13<sup>th</sup> May 1937, at which the following attended, viz:

The Governor	Sir Josiah Stamp
The Deputy Governor	Sir Edward Peacock
Mr Whigham	Lord Hyndley

the Governor acquainted the Committee of the following matters:-

1776  
CT 74.01

1. He submitted a memorandum, dated the 7<sup>th</sup> May, giving particulars of two applications which had recently been received in connection with the production of films dealing with the Bank. The advantages of the Bank's collaboration in a production of this nature were reviewed. It was, however, agreed after discussion that, in view of the enquiries into the film industry which the Bank were now making at the request of H.M. Government, it would be inadvisable to give any recognition or assistance of an official or even unofficial nature in either of these cases.

CT 174

1878  
CT 78

2. With reference to Minutes of the 7<sup>th</sup> April and earlier, he informed the Committee that he had discussed with Mr H.C. Scrimgeour on the 11<sup>th</sup> May the matter of the termination of his

form

11<sup>th</sup> May 1937

joint agreement with the Bank and read a note of what had passed at this interview. He was convinced that this action on the part of Messrs. Leungpoung was not in the best interests of the firm, their official clients or the Bank and he proposes to reaffirm this view to Mr. Leungpoung at a further meeting.

Wednesday, the 19<sup>th</sup> May 1937

Present:-

The Deputy Governor  
Lord S. Jellicoe  
Mr. Whigham  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Asprey

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 -
  - (a) on the Discount Business of the Bank for the month of April.
  - (b) on Advances granted under Section 13 (b) of the Internal Regulations, and Special Advances.

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

1. Quarterly Report of the Audit Committee.
2. Accounts of the Superannuation Fund for the year ended the 28<sup>th</sup> February 1937.
3. Minute of the Staff Committee recommending appointments, etc.

It was agreed to recommend to the Court of Directors that an allowance be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to:-

Mr.

Widow of

a pensioner, formerly a 2<sup>nd</sup>

Class Clerk at the Hull Branch £85 a year from the 1<sup>st</sup> May last inclusive.

19<sup>th</sup> May 1937.

453

1275

ST 176

ST 189

Jarrow.

A scheme was laid before the Committee for the formation of a Company under the Chairmanship of Mr Bruce Gardner for the purpose of erecting and operating new electric street works at Jarrow with an estimated capital of £1,000,000. The proposal had received the approval in principle of the Import Duties Advisory Committee and of the Board of Trade.

The Committee had before them a Report on the project by A.A. Brassell and Co Ltd, together with Sir Nigel Campbell's suggestions as to the capital structure. After discussion it was agreed that, if the Bank's Industrial Development Company are satisfied on further investigation that the scheme is sound and practicable and decide to underwrite the issue of "A" and "B" Ordinary Shares to the amount of £20,000, the Bank would be prepared to finance that Company to the full extent of its commitment.

502

Wednesday, the 25<sup>th</sup> May 1937.Present-

The Governor  
The Deputy Governor  
Lord S. Just  
Mr Whigham  
Mr Shaw  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hynall

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.

A Report of the Staff Committee with recommendations regarding a Grade II Class I Clerk in the Accountants Department, was submitted and referred to the Court of Directors.

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

1. The Bank should contribute a sum of £4000 2/6

towards

1274  
Office File B2 of



26<sup>th</sup> May 1957

towards the cost of the purchase of an annuity of £750  
for the benefit of Lady Bark, widow of the late Sir Peter Bark,  
j.c.v.

2. An allowance be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -

Widow of formerly a  
composer at St Luke's Printing Works:  
Feb a year from the 11<sup>th</sup> May 1927 inclusive

ET 11 ~~1070~~  
~~1810~~  
CT113 03 ~~175~~

With reference to funds of the 5<sup>th</sup> May and earlier, the Governor reviewed the present unsatisfactory position regarding the Hungarian Standstill debt of approximately £5,600,000 in this market.

In the event of a deadlock arising in the forthcoming negotiations between the Hungarians and the British Standstill creditors, the Governor would be prepared, with the concurrence of the Committee, to agree with the representatives of the National Bank of Hungary on an arrangement upon the following lines, subject to the B.I.S. raising no objections and to acceptance by all the British adherents to the Standstill agreement, viz:-

1. One-third of the debt to be cancelled forthwith.
2. One-third of the debt to be repaid in cash by means of a credit granted by the Bank to the National Bank of Hungary at L. M. V., to be repaid by equal annual amounts over a period of three years. There would be no security for the credit but the National Bank of Hungary on their part must agree during the period in question not to give any charge on their assets or to vary the terms of the arrangements now to be made with other creditors.
3. One third of the debt to be covered by means of bills in respect of bona fide commercial transactions.

After discussion the Committee agreed that, if conditions such as the foregoing were fulfilled, the Bank would be prepared to grant a credit of this nature.

141

Wednesday, the 2<sup>nd</sup> June 1937

Present-

The Governor  
The Deputy Governor  
Lord S. Just.  
Mr. Hugham  
Mr. Shaw  
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 Weekly Reports on Central Banks were submitted.

It was agreed to recommend to the Court of Directors -

1. That the following pensions be granted under the provisions of the Trust Deed of the Superannuation Funds -

In accordance with the Scale

W. B. Thorpe,	Principal of the Transfer by deed Office No. 1. age 65 years on the 7 <sup>th</sup> July 1937. Service 42 years: £998 12 s a year from the 8 <sup>th</sup> July 1937 inclusive.
L. A. Stutchbury,	a Grade I Division 1 Clerk in the Bill Office. age 60 years. Service 40 years: £500 a year from the 1 <sup>st</sup> September 1937 inclusive.
K. L. M. Brook,	a Principal Woman Clerk. age 50 years on the 1 <sup>st</sup> July 1937. Service 20 years: £177 10 s a year from the 10 <sup>th</sup> July 1937 inclusive.
Jeffrey Barker,	an Auxiliary Woman Clerk. age 50 years on the 12 <sup>th</sup> June 1937. Service 18 years: £72 a year from the 13 <sup>th</sup> June 1937 inclusive.

In accordance with the scale and the terms of an Order of Court of the 14<sup>th</sup> May 1936

Gregory Smith,	a Grade II Class 1 Clerk in the Cashier's Department and Branches. age 60 years. Service 26 years: £188 6 s a year from the 1 <sup>st</sup> September 1937 inclusive.
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2. (a) That the grant to the Men's Section of the Bank of England Sports Club be maintained for another year at the present rate, viz, a sum equal to 40% of the annual subscriptions of the Members: any deficit to be met out of the Club's reserves which at present amount to £1,950.

(b) That

~~LB 16~~  
CX 67.02

2nd June 1937 ~~1858~~  
CT 67.02

- (b) that as regards the Women's Section -
- (i) the Bank should again pay to the Men's Section the expenses of upkeep of the Women's Ground calculated as in the past year on the actual labour involved;
  - (ii) in addition and pending the result of the first year's experience of running the new Pavilion, a grant of £250 to be made to the Women's Section,
- the whole position to be reviewed next year with the object of arranging a grant by the Bank based on a percentage of the annual subscriptions of the Members.

The Governor acquainted the Committee of the following matters -

~~1858~~  
CT 70.04

- (1) Mr Hambro had become a Director of Hambros Bank Executor and Trustee Company Limited, the entire share capital of which was held by Hambros Bank, who had formed the Company for the purpose of providing trustee services for their customers.

It was agreed that this directorship would in no way affect Mr Hambro's position as a Director of the Bank and consequently there was no need to refer the matter to the Court.

CT 192. ~~1861~~  
(1)

- (2) With reference to the Minute of the 1<sup>st</sup> January 1936, £110,000, the balance of the Detenture of Land & J. Assets Ltd. held by the Bank, had been repaid on the 31<sup>st</sup> May.

CT 167. ~~1859~~  
CT 39.02. ~~178~~

- (3) With reference to Minutes of the 21<sup>st</sup> June 1933 and the 23<sup>rd</sup> October 1935, he laid before the Committee statements as to the expenses incurred by the Bank in regard to the League Loans Committee and the Chinese Bondholders Committee to the 28<sup>th</sup> February 1937 and to the 31<sup>st</sup> March 1937 respectively.

CT 39. ~~186~~  
+ CT 39.01 ~~1861~~

- (4) He wished in all confidence to place before the Committee the general position in regard to the granting of loans by this country to the Chinese.

For many months past he had been concerned in discussions about Export Credits and Railway Loans. These discussions had been instigated by Sir Frederick Leith-Ross who, with the arrival here of Dr Kung, had rather suddenly advanced beyond the limits originally anticipated. The present proposals, which



2nd June 1937

may lead to ending or varying the Consortium, seem to be for a currency loan of from £10/20 million and various Railway loans amounting to from £12/16 million irrespective of Export Credits.

CT 39

With regard to the Currency loan proposals, Sir Frederick Leith-Ross had, in his view hurriedly, given a written statement of conditions to Mr. King. In fact, the attitude of H.M.G. towards Chinese loans seemed to be rapidly changing, almost without due regard to such unavoidable difficulties as security, the state of the market, the attitude of other countries, especially Japan, and the position of the Consortium. But he thought that on the whole the advantages to be obtained in regard to, e.g., the Central Bank, a Foreign Adviser, the personnel of the Customs Inspectorate and stability of exchange between the £ and ¥ were in favour of a Currency loan.

1779

CT 41

(5) He read a letter of the 27<sup>th</sup> May which he had written to a firm of Solicitors, Gilbert Samuel and Company, under Freshfield's advice, with a view to rendering his personal attendance under subpoena unnecessary in regard to a High Court case at that time pending. He had since learned that the action had been withdrawn.

1755

CT 50 09

(6) He laid before the Committee a statement regarding the Bank's activities on behalf of Central Banks, showing on a costing basis, a profit of £12,506 for the half-year ended the 28<sup>th</sup> February last.

1776

CT 174

(7) With reference to the Minute of the 7<sup>th</sup> April 1937 as to the investigation of the Silk Industry in this country, an Interim Report based on evidence given in strict confidence had been prepared. Copies had been forwarded to 10, Downing Street and to the Board of Trade on the 24<sup>th</sup> May.

The position was extremely complicated and difficult questions had been raised which had to be settled by H.M.G. before the enquiry could proceed further.

See 2.

