

COMMITTEE OF TREASURY

MINUTE BOOK

57



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. succeeded as first group (1937)

Lord Hyndley

Sir Josiah Stamp

Sir Andrew Duncan

Sir Edward Leacock.

Wednesday, the 9<sup>th</sup> June 1937.

Present:-

The Governor  
The Deputy Governor.  
Lord S. Just.  
Sir Andrew Duncan  
Sir Edward Leacock  
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. A Report of the Committee on Advances and Discounts  
on the Discount business of the Bank for the  
month of May.

Minutes of the Committee on Advances and  
Discounts were submitted and referred to the Court of Directors  
concerning -

- (a) The re-opening of a Discount Account.
- (b) British-drawn finance Bills

9<sup>th</sup> June 1937

2

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 -

A. B. Crustern, Assistant Foreman, Bank Note Handhouse, S. J. & Co's Printing Works - age 65 years: service 40 years: £22.6.0 - a year from the 24<sup>th</sup> June 1937 inclusive.

2. The following be appointed to serve on the Advisory Council of Directors and Staff for the ensuing year -

Mr Alan Anderson (Chairman)

Mr Gladstone

Mr Holland-Martin

Mr Cadbury

Mr Walker

Mr [redacted]

3. The Agent of the Manchester Branch be authorised to make a donation of £21 to the fund being raised to defray the expenses of the Royal Lancashire Agricultural Society Meeting to be held at Manchester this year.

+665  
CT 50.01

With reference to the Minute of the 25<sup>th</sup> November 1936, it was agreed to recommend to the Court of Directors that the Committee to consider the Securities of certain Funds be requested to include in their quarterly examinations the British Government and British Government Guaranteed Securities held in the Banking Department.

+780  
CT 119.01

With reference to the Minute of the 24<sup>th</sup> September 1930 regarding the fortnightly letter to the Empire Central Banks, the Deputy Governor acquainted the Committee of arrangements which had been made following upon recent discussions between the Governors. In future confidential communications would be sent to each of the five Governors as follows, viz -

1. A weekly cable on the lines of that hitherto sent only to Australia.
2. A weekly letter from the Chief Cashier containing Market information and routine British statistics.
3. A monthly letter, in place of the fortnightly letter, dealing with the state of trade and any special topic which might



9<sup>th</sup> June 1937

might be considered of interest. This letter would be despatched towards the end of each month and copies would be laid before the Committee.

The Governor acquainted the Committee of the following matters:-

CT 37.02. L834

CT 37 L834

1. With reference to Minutes of the 18<sup>th</sup> November 1936 and earlier as to the desirability of promoting action here by those interested in questions concerning [redacted], there was in his view no object to be gained in further discussion at the present time. The Governor proposes that these questions be brought before the Committee again after the expiration of, say, six months.

L834

CT 32.01

2. Provisional arrangements as set out in a note of the 7<sup>th</sup> June had been made with the Governor of the Reserve Bank of India for [redacted] to be seconded to the Reserve Bank for a period of two years, as from a date to be fixed in the autumn. The Committee agreed with the arrangements, which were subject to the concurrence of the Board of the Reserve Bank.

L844

CT 45

3. With reference to the Minute of the 11<sup>th</sup> May concerning gold supplies, he read his personal and confidential letter of the 7<sup>th</sup> June to Sir Claude Baring in regard to a cable received from him on this subject.

L860

CT 181.01

4. With reference to the Minute of the 11<sup>th</sup> May as to marketing the Bank's holdings of Lancashire Cotton Corporation Securities, there was reason to believe the Corporation's position was improving, although no report had been published since the reconstruction.

Disposal at the present time would involve a loss which in the Governor's opinion the Bank was not called upon to bear and he proposes therefore, while adhering to the principle that the Bank should liquidate their industrial holdings whenever reasonable opportunity offers, not to proceed further in this particular instance until later in the year.



9<sup>th</sup> June 1937

CT 176 + 778

CT 189 + 553

5.

With reference to the Minute of the 19<sup>th</sup> May regarding the scheme for a new electric steel works at Jarrow, he read his note of the 3<sup>rd</sup> June stating that Mr Bruce Gardner should visit America in the near future to inspect certain plants before placing orders for machinery - the note expressed the hope, however, that before Mr Bruce Gardner left he would have completed the registration of the company and arranged for the provision of the necessary finance.

4

Wednesday, the 16<sup>th</sup> June 1937

Present -

The Governor

The Deputy Governor

Lord S. J. J. J.

Mr Whigham

Sir Andrew Duncan

Sir Edward Peacock

Lord Arundley

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

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

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

The Weekly Reports on Central Banks were submitted.

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

1. A Minute of the Staff Committee recommending appointments, etc.
2. Regulations as revised for the Internal Administration of the Bank.

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

(a) Pensions be granted to -

A. H. Haydon, a Cashier: age 63 years: service 45 years: £577.7.8  
a year from the 18<sup>th</sup> June 1937 inclusive.

L. E. Walms, a Principal Officer: age 45 years: service 19 years: £157.10-  
a year from the 12<sup>th</sup> July 1937 inclusive.

(b) An allowance be granted to

Mr [redacted] formerly an Auxiliary [redacted] from the 1<sup>st</sup> June 1937 inclusive.

Wednesday, the 23<sup>rd</sup> June 1937

Present:-

The Governor  
The Deputy Governor  
Lord S. Just  
Mr. Whigham  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hynley

The draft Minutes of the last Meeting were read and agreed.  
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 pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to:-

- A. E. Smith, a Grade II Class 2 Clerk in the Accountants Department: age 33 years: service 15 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £112.15:- a year from the 25<sup>th</sup> June 1937 inclusive.  
S. A. Kemp, a Compositor at St. Luke's Printing Works: age 66 years: service 20 years: £81.9.6 a year from the 1<sup>st</sup> July 1937 inclusive.  
S. T. Hunt, a Labourer in the Works Department: age 65 years: service 35 years: £92.11:- a year from the 31<sup>st</sup> July 1937 inclusive.

The Governor acquainted the Committee of the following matters:

177b  
CT 174

1. With reference to the Minutes of the 2<sup>nd</sup> June and earlier concerning the secret investigation of the Film Industry in this country, he read his letter of the 21<sup>st</sup> June to the Board of Trade confirming that no further action by the Bank is now contemplated.

If the Government agree that the present enquiry should be brought to an end the Governor proposes, with the Committee's concurrence, to pay an honorarium of 100 guineas to Mr. [redacted] who placed his services at the Bank's disposal during the period of the enquiry.

1A54  
CT 4. 91.

2. In order to facilitate the finances of the [redacted] <sup>forthcoming</sup> may be requested by the [redacted] to provide temporary

22<sup>nd</sup> June 1927.

finance in London for the first year's expenditure to an amount of £2,000,000. The Governor read a Note along the lines of which it is anticipated the Chancellor will write to the Bank asking them to take such steps as may be necessary to grant

a temporary advance of the requisite amount, if and when required. He proposes to agree to this request on terms to be arranged.

CT 41 1.6.30

1.6.16<sup>B</sup>

CT 113.03 1.6.45

3. It now appeared that the negotiations between the [redacted] and the [redacted] would lead to agreement being reached for a 5-year period. In these circumstances there was no need for any arrangement between the Bank and the [redacted]. Such a [redacted] was outlined in the Minutes of the 1<sup>st</sup> May.

1.6.5

CT 50

4. With reference to the Minutes of the 3<sup>rd</sup> March and earlier regarding the Bank's investments and reserves and the estimated future annual surplus, he read a note of a discussion on the 22<sup>nd</sup> June with Lord Bledisloe, who was prepared to sign a 'secret' letter to the Bank in the form of a draft which was laid before the Committee. Lord Bledisloe had agreed to consider the addition to his letter of certain points which had arisen in the course of the discussion.

CT 192 1.6.61<sup>(1)</sup>

CT 189 1.6.53

CT 176 1.7.78

5. With reference to Minutes of the 9<sup>th</sup> June and earlier, he laid before the Committee a note of the 22<sup>nd</sup> June regarding the capital structure, control, etc., of the new-farrow Great Company. The B.I.S. have now placed 200,000 6% Preferred Ordinary Shares of £1 each (Class A) with the Great Farrow Company and it had been decided at a recent meeting of the S.M.T. that the 200,000 like Shares (Class B) for which the B.I.S. had made themselves responsible should be subscribed for by the Trust, owing to the probability that the life of the B.I.S. would be of short duration. The Shares would be held by the S.M.T. either in their own name or on behalf of the Bank. As considerations of Income Tax questions made the more expedient.

Arising from Mr Bruce Gardner's Chairmanship of the Farrow Company, the Governor referred to the recent sale by Armstrong Whitworth of the Redwood Works and to a difficulty between A.M.B. and Pickers over the future management. As a consequence



23<sup>rd</sup> June 1937

consequence, Mr Bruce Gardner had now been asked by H.M.G. whether, if no other arrangements could be made, he would agree to continue to manage the works and he had expressed his personal willingness to do so.

As the Bank desire definitely to sever their connection with the armaments business, the Committee agreed that if Mr Bruce Gardner decided to accept the position offered by H.M.G. it would be necessary that he should terminate his appointment as an Advisor to the Bank. The decision in this regard need not affect Mr Bruce Gardner's position as Chairman of the Jarrow Steel Company, the Bank desiring that his services should be available in this capacity to the B.L.D. during the lifetime of that Company which will terminate on the 15<sup>th</sup> April 1940 unless further extended by special resolution.

It was further agreed that the Governor should see Mr Clair Cookson, and also Sir Nigel Campbell, to explain the Bank's position regarding the Chairmanship of the Jarrow Company so long as Mr Bruce Gardner is associated with the Bank in an advisory capacity.

5.27

Wednesday, the 30<sup>th</sup> June 1937

Present:-

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

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

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

The following were submitted:-

1. Weekly Reports on Central Banks
2. The Monthly letter to Dominion Central Banks.

The Governor acquainted the Committee of the following matters:-

CT 192 ~~166410~~  
CT 189 ~~1683~~  
CT 176 ~~1798~~

1. With reference to Minutes of the 23<sup>rd</sup> June and earlier, he read his letter of the 25<sup>th</sup> June to Sir Nigel Campbell regarding Mr Bruce Gardner's Chairmanship of the Jarrow Steel Company.

30<sup>th</sup> June 1937

~~1-6-5~~  
CT 50.01  
CT 50.

~~1-7-1~~

CT 81  
CT 95

~~1-6-99~~  
CT 95.  
CT 100.06

1-6-7

8

2. With reference to Minutes of the 23<sup>rd</sup> June and earlier, he laid before the Committee Lord Plender's Secret letter of the 29<sup>th</sup> June concerning the Bank's policy "regard to Investments, Reserves and the Dividend. The Governor proposes to read the letter at the next Meeting of the Court of Directors.

3. On the 25<sup>th</sup> June, he had agreed orally with the Treasury that if the present sterling resources of the Exchange Equalisation Account were exhausted before the proposed increase in the Fund were sanctioned the Bank would purchase for their own account such gold as might prove necessary. Any gold thus purchased will be taken over at cost by the Exchange Equalisation Account so soon as power to increase the Fund shall have been obtained.

4. He laid before the Committee copies of the first of a series of notes on the gold problem which are to be prepared and circulated by the B.I.S. for the information and consideration of the Board.

Wednesday, the 7<sup>th</sup> July 1937.

Present:-

A full Committee.

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

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 in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund -

(a) Pensions be granted to -

W.H. Towns, an Auxiliary Clerk: age 65 years on the 24<sup>th</sup> July 1937:  
service 18 years: £162 a year from the 25<sup>th</sup> July 1937  
inclusive.

Richard Prosser, an Auxiliary Clerk: age 65 years on the 29<sup>th</sup> July 1937:  
Service

7<sup>th</sup> July 1937

service 21 years: £139 a year from the 30<sup>th</sup> July 1937 inclusive.

L.B. Collett, an Auxiliary Woman Clerk. age 50 years on the 11<sup>th</sup> July 1937. Service 18 years: £72 a year from the 15<sup>th</sup> July 1937 inclusive.

E.R. Thomas, an Auxiliary Woman Clerk. age 50 years on the 25<sup>th</sup> July 1937. Service 19 years: £76 a year from the 26<sup>th</sup> July 1937 inclusive.

Grace Hoggan, an Auxiliary Woman Clerk. age 50 years on the 30<sup>th</sup> July 1937. Service 18 years: £72 a year from the 31<sup>st</sup> July 1937 inclusive.

(b) An allowance is granted to -

Mr. [redacted] Midway [redacted] a Pensioner, formerly a Cashier: £70 a year from the 24<sup>th</sup> June 1937 inclusive.

1627

CT 138.

With reference to Minutes of the 17<sup>th</sup> February and earlier regarding Messrs. Freshfields, Lees and Haines' legal charges, it was agreed to recommend to the Court of Directors that, owing to the demands made by the Bank on the time of certain partners, a sum of £500 be paid to the firm for the half-year ended the 31<sup>st</sup> March 1937 over and above the amount of their charges for that period according to the usual scale.

The Committee further agreed that the question should be again considered when the account for the six months ending the 30<sup>th</sup> September next is rendered.

The Governor acquainted the Committee of the following matters -

1627

CT 139

1. United Dominion Trust. With reference to Minutes of the 24<sup>th</sup> June 1936 and earlier, he had concluded arrangements for the sale to the Ordinary Shareholders of the Company of 150,000 of the Bank's holding of 160,000 4½% Cumulative Preference Shares. The sale would be carried through at par plus accrued interest and expenses of transfer, the price working out at 20½ a share.

1766

CT 193

2. With reference to the Minute of the 17<sup>th</sup> March concerning the formation of a Site Development Company to adapt empty factories and to recondition industrial sites in Lancashire,



7<sup>th</sup> July 1937.

10

Sir Thomas Barlow had received provisional promises of subscriptions to a total of 180,000 Preference Shares instead of the 245,000 for which he had hoped. In these circumstances he had now asked that the Bank should subscribe for 20,000 Preference Shares which, with the Government subscription, would make a total capital of about £260,000.

The Governor proposes to subscribe the amount for which Sir Thomas Barlow asks provided that the other promises materialise.

+88

CT 37

CT 95

3. At the request of the Governor-General, he had invited Mr. John Martin to go to Canada for two weeks in September in order that he might discuss privately with those concerned certain questions in connection with the Gold Mining industry in that country. Mr. Martin had accepted the invitation.

+781

CT 90

4. National Defence Contribution. The Committee of London Clearing Bankers had recently considered a suggestion that representations should be made by the Bankers Association with a view to the amendment of the provisions of the Bill which requires Banks to include investment income in their assessable profits. In the opinion of the Clearing Bankers' Committee any such action "would be useless" but it was understood that certain Australasian Banks who would be particularly hard-hit are representing their position to the Chancellor.

CT 50-02

So far as can be ascertained at the moment, our own liability to this tax will be in the neighbourhood of £110,000 a year, but if investment income were not brought into assessment no contribution would be payable.

107

Wednesday, the 16<sup>th</sup> July 1937.

Present.

The Governor  
The Deputy Governor  
Lord S. Just  
Lord Curzon  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock

~~187~~  
CT84  
CT95

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

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

Arising from the reading of the figures, the Governor represented to the Committee the difficult problem which confronts the Bank in regard to the Note Issue. While any reliable forecast of currency movements was impossible owing to hoarding and the Coronation, they had to face the effect of the usual holiday demands upon an already low proportion.

Any substantial contraction in the circulation, unless offset, would unduly expand the credit base. This tendency could most easily be corrected by a transfer of gold from the Issue Department to the Exchange Equalisation Account as notes were returned to the Reserve, but it was quite likely that such a course might not meet with Treasury approval. Failing this, it would be necessary for the Bank to realise earning assets and the position would obviously be accentuated if additional gold were now transferred to the Issue Department.

The Governor asked the Committee to consider whether in all the circumstances the better policy were not to allow the proportion to reach a still lower level for the time being, bearing in mind the price at which gold in the Issue Department is held.

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 and Branches for the half-year ended the 30<sup>th</sup> June 1937.
4. Report on the progress of mechanisation for the half-year ended the 30<sup>th</sup> June 1937.

The following were submitted and referred

11<sup>th</sup> July 1937

12

to the Court of Directors-

1. Minute of the Committee on Advances and Discounts recommending the re-opening of a Discount Account.
2. Staff Committee-
  - (a) Minute recommending appointments, etc.
  - (b) Quarterly Report regarding wages, pensions, etc.
  - (c) Report recommending the Election of Probationary Gate Clerks to the Permanent Staff.
3. Minute of the Committee on S. Luder's recommending that Edwin Coates, a compositor, be continued in the service after he attains the age of 70.

With regard to the recommendations of the Staff Committee respecting the wages of certain grades of the Works Department Staff, it was agreed to recommend to the Court of Directors that the proposed revised scales be adopted, subject to revision at the expiration of five years.

It was agreed to recommend to the Court of Directors-

1. 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 1926 to-  
J. S. Sands, Grade II class 1 Clerk in the Cashiers Department and Branches: age 53 years: service 40 years:  
£463.6.8 a year from the 8<sup>th</sup> October 1937 inclusive.

2. That the half-yearly Accounts be brought before the Court of Directors on Thursday, the 16<sup>th</sup> September.

That a General Court to consider of a Dividend (which will also be a half-yearly General Court) be held at the Bank on Thursday, the 23<sup>rd</sup> September, at 12 o'clock.

That with a view to the preparation of a Dividend the balance of the Stock Ledgers of Bank Stock be taken on the night of Thursday, the 23<sup>rd</sup> September, and that the dividend warrants be delivered on Tuesday, the 5<sup>th</sup> October.

3. That, in addition to the Annual grant of £100 to the Bank of England Musical Society, an additional grant of £50 be made for the current year.

1841  
25 67.04



16<sup>th</sup> July 1939.

It was further agreed to recommend that the question of the grant be reviewed next year.

1782  
ex 105

The Governor referred to the recent announcement of an anonymous gift <sup>of £250,000</sup> to the former Prime Minister for the purpose of promoting closer relations between the United Kingdom and the Dominions.

Steps are being taken to create a trust to administer the gift and the Bank may be asked to act in connection therewith, though in what particular capacity it was impossible at the moment to say. Arrangements regarding the trust were now being discussed between the Solicitors to the donor, the Treasury Solicitor and Messrs Freshfields acting on the Bank's behalf.

If in the opinion of their legal advisers the Bank would neither be acting ultra vires nor accepting any responsibility for the administration of the fund, the Governor proposes that they should agree to serve subject to the formal consent of the Court being obtained should this prove necessary.

Wednesday, the 21<sup>st</sup> July 1939

Present:-

The Deputy Governor  
Lord S. J. J. J.  
Mr Whigham  
Lord Craigmuir  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock.  
Lord Hymowitz.

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

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 July 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. A request from Mr Cadbury to join the Board of "Cocoa Investments Limited."

21<sup>st</sup> July 1937

14

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 -

M<sup>rs</sup> [redacted] Widow of [redacted], a Pensioner, formerly Principal of the Bank Stock Office £85 a year from the 5<sup>th</sup> July 1937 inclusive.

The Deputy Governor acquainted the Committee of the following matters -

10078  
CT100 02 (21)

1. Bank for International Settlements. With reference to Minutes of the 8<sup>th</sup> April 1936 and earlier, the Syndicate of certain Central Banks which was formed to purchase the shares of the Belgian Branch in the hands of the public had now been dissolved. The Syndicate had purchased 476 shares, of which 145 had been transferred to the Bank at a cost of £4,159 15 10.

CT 41 10030

2. With reference to Minutes of the 22<sup>nd</sup> June and earlier, arrangements had now been completed for the prolongation for a period of three years, as from the 13<sup>th</sup> July, of the Dollar credit to the [redacted]. The arrangements provided for three annual capital repayments of 5%, beginning on the 1<sup>st</sup> October 1937, while interest would continue at the rate of 1% per annum: all payments were to be transferred on a gold basis.

Wednesday, the 28<sup>th</sup> July, 1937.

Present -

The Deputy Governor  
Lord St. Just  
Lord Hymond

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

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

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

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

1. Quarterly Report of the Staff Committee upon -
  - (a) the examination of Principals of the various Offices in the Accountants', Cashiers' and Secretary's Departments;
  - (b) "Overs" and "Shorts" in Cash, &c.
2. Quarterly Report of the Committee to consider the Securities of certain Funds.

The Deputy Governor acquainted the Committee of the following matters -

CT 16 1894  
CT 118 1895  
CT 98 1897  
1894

1. An enquiry had been received from [redacted] as to whether, in principle, the Bank would be prepared to make advances against gold in course of shipment from [redacted]; no detailed arrangements had yet been considered.

In his opinion this type of transaction could be regarded as normal and proper for one Central Bank to undertake on behalf of another but, having regard to the political situation in [redacted] he thought that it would be well to obtain the views of H. M. Government before committing the Bank in this matter.

The Committee concurred.

2. He had



23<sup>rd</sup> July.

1937

1858

1927

CT 84.

2. He had written to His Majesty's Treasury on the 26<sup>th</sup> July regarding the unsatisfactory position occasioned by the depreciation on the securities held in the Issue Department, which, on the 30<sup>th</sup> June, amounted to approximately £11,750,000. On the present basis of income and expenditure this depreciation would not be adjusted for some 7 or 8 years.

The position had resulted almost entirely from the Issue Department having been under the necessity in recent years of taking up large lines of new Government Issues without regard to the normal investment programme of the Department.

Pres.  
Left 2.30 p.m.

Wednesday, the 4<sup>th</sup> August, 1937.

Present:

The Deputy  
Governor,  
Lord St. Just,  
Mr. Whigham,  
Mr. Francis Stamp.

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

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, under the provisions of the Trust Deed of the Superannuation Fund, -

(a) Pensions in accordance with the scale be granted to -

W. G. Bryant, a Cashier: age 65 years on the 21<sup>st</sup> August: service 46 years: £587: 10/- a year from the 22<sup>nd</sup> August 1937 inclusive.

K. M. Reeve, a Grade II Class 2 Woman Clerk: age 29 years: service 11 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £41: 16/- a year from the 5<sup>th</sup> August 1937 inclusive.

E. L. Stacey

4<sup>th</sup> August, 1937

E. L. Stacy, an Auxiliary Woman Clerk:  
age 50 years on the 25<sup>th</sup> August:  
service 18 years: £ 72 a year from  
the 26<sup>th</sup> August 1937 inclusive.

(b) an allowance be granted to -

Miss [redacted] the elder sister of the late [redacted], formerly an Auxiliary Clerk:  
15/- a week as from the 16<sup>th</sup> June 1937  
inclusive until such time as she shall  
become eligible for an Old Age Pension.  
The question of the continuance of the allowance  
to be reconsidered at that date or earlier in  
the event of any change in the circumstances  
of the case.

It was agreed to recommend to the Court  
of Directors that, in response to an appeal, a  
donation of £25 be made towards the expenses  
of the British Empire Games which are to be held  
in Australia in 1938.

184  
CT 16 1844  
CT 118 1835  
CT 95 1844

With reference to the Minute of the 28<sup>th</sup>  
July, the Deputy Governor mentioned that, as a  
result of views expressed by H. M. Treasury, he  
did not feel able to proceed at the present time  
with arrangements for making advances to [redacted]  
[redacted] against gold in shipment to this  
country.

from  
24/8/37

Wednesday, the 11<sup>th</sup> August 1937.

Present-

The Deputy Governor  
Lord S. Jubb.  
Mr. Whigham  
Sir Josiah Stamp.

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

It was agreed that no alterations 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 July;
  - (b) on advances granted under Paragraph 13, Section (b) of the Internal Regulations, and Special Advances.

A Minute of the Committee on S. Luke's recommending the granting of a donation was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors that, under the provisions of the Trust Deed of the Superannuation Fund, an allowance be granted to -

Mrs. [redacted] Widow of [redacted] a Pensioner, formerly agent at the Manchester Branch: £200 a year for four years from the 29<sup>th</sup> June 1937 inclusive.  
Further that, commencing in September 1937, school fees amounting to £100 per annum be paid for the benefit of her youngest son during the time he is attending [redacted]; the whole provision to be reviewed in June 1941.

The Deputy Governor acquainted the Committee of the following matters -

1. With reference to the Minute of the 2<sup>nd</sup> June last regarding finance to China and to reports on this subject which had recently appeared in the Press, he had learned that of the two Railway loans only the proposed loan of £3,000,000 for the Canton - Yekowin Railway had received the approval of the

Consortium.

113.31  
+ 37.6.  
CT 39  
+ CT 39.01



11<sup>th</sup> August 1937.

Consortium. The contract for the £1,000,000 Pukow-Singyang Railway Loan had actually been signed but was subject to the British Group being relieved from their obligations under the Consortium. As regards the £20,000,000 Currency Loan, no contract had been signed although a letter setting out in general terms the conditions under which the London financial group would be prepared to consider such an issue in London had been given to Mr [redacted] prior to his departure from London. This letter, which fully protected the position of the London group as regards the Consortium, had been used by Mr [redacted] for political advertisement but it was understood that steps had been taken to make the Consortium countries aware of the true position.

Quite apart, however, from other considerations, the disturbed state of Sino-Japanese relations would make the issue of any of these loans on the London market impossible at the present time.

752  
CT 105

2. With reference to the Minute of the 14<sup>th</sup> July last as to the Imperial Relations Trust, the Governor had since agreed to serve, in his personal capacity, as one of the seven Trustees and the Bank of England had been appointed bankers to the Trust under the deed of Foundation.

Wm.  
L. J. J. J.

Wednesday, the 18<sup>th</sup> August 1937.

Present:-

The Deputy Governor.  
Lord S. J. J.  
Mr Whigham.

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

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

The Weekly Reports on Central Banks were submitted.

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

Wednesday, the 25<sup>th</sup> August 1927

CT-72

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

Wednesday, the 1<sup>st</sup> September 1927

Present:-

The Governor  
The Deputy Governor  
Sir Andrew Duncan  
Lord Hyndley

The draft Minutes of the 18<sup>th</sup> August were read and agreed.

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

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

Wednesday, the 8<sup>th</sup> September 1927

Present:-

The Governor  
Lord St. Just.  
Sir Josiah Stamp.  
Sir Andrew Duncan  
Lord Hyndley

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

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

The Weekly Reports on Central Banks were submitted.

It was agreed that any Report or Recommendation of a Standing or Special Committee which has to be submitted to the Committee of Treasury shall, except when it is of a purely formal nature, lie on the table for at least one week unless Members of the Committee shall otherwise have been afforded time for full consideration.

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:-

S. M. Henry, Principal of the Bullion Office: age 55 years: Service 37 years: who, in the opinion of the Bank Medical Officer

CT-72

8<sup>th</sup> September 1937.

J. H. Wheeler,

Officer, should be allowed to retire on account of ill-health: equal to full salary for three months from the 26<sup>th</sup> September 1937 inclusive, and thereafter £826.11:- a year in accordance with the scale.

a Cashier: age 65 years on the 29<sup>th</sup> September: service 43 years: £576.6:- a year from the 30<sup>th</sup> September 1937 inclusive in accordance with the scale.

K. W. Cory,

a Grade II Class I Woman Clerk: age 50 years on the 16<sup>th</sup> September: service 20 years: £125 a year from the 1<sup>st</sup> September 1937 inclusive in accordance with the scale.

1377  
CT 166

With reference to the Minute of the 31<sup>st</sup> March, the Governor referred to the recent decision of the League Council that the appointment of Members of the Financial Committee should be limited to three years. This had resulted in the resignation of four leading Members and pressure had been brought to bear upon Monsieur Imredy, Governor of the National Bank of Hungary, to join the Committee.

The Governor laid before the Committee his letter of the 6<sup>th</sup> September to Monsieur Imredy who had twice consulted him personally as to the answer he should give.

1377  
1377

Wednesday, the 15<sup>th</sup> September 1937

Present

The Governor  
Mr. Whigham  
Sir Andrew Duncan  
Lord Hyndley

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

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

The following were submitted:-

1. Weekly Reports on Central Banks.
2. The Half-yearly Report of the Committee on the Permanent Control of Expenditure.



15<sup>th</sup> September 1937.

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

1. Recommendations from the Committee on S. Luke's and from the Staff Committee regarding the proposal for a 145-hour work at S. Luke's Printing Works;
2. Minute of the Staff Committee recommending appointments, etc;
3. The half-yearly accounts of S. Luke's Printing Works and of the Works Department,
4. A letter from Messrs. Deloitte as to the Audit of Country Branches during the first half-year.

It was agreed to recommend to the Court of Directors -

1936.  
CT. 57

1. That, in response to an appeal from Mr. Cyril Rogers on behalf of the Shanghai refugees, a sum of £500 be placed at his disposal on the understanding that the name of the donor be not disclosed.
2. That a pension be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to -  
 J. H. Coulson, a Grade II Class 1 Woman Clerk: age 45 years:  
 Service 21 years: £103.10/- a year from the 7<sup>th</sup> October 1937 inclusive.

The accounts of the Bank for the first half-year were examined 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 <sup>next</sup> of £6 per cent. less Income Tax.

The Governor acquainted the Committee of the following matters -

1938.  
CT. 193.

1. Lancashire Industrial Sites Development Company.  
 With reference to the Minute of the 7<sup>th</sup> July, the promises of subscriptions for Preference Shares now amounted to a total of £167,500 instead of the £180,000 expected. The Governor proposed in the circumstances to subscribe for 20,000 Preference Shares if the promises as detailed in Sir Thomas Barlow's letter of the 12<sup>th</sup> September are confirmed. The total capital, together with the Government Subscription

15<sup>th</sup> September 1937CT 45 ~~18.16~~CT 45.02 ~~18.16~~CT 113.03 ~~18.45~~CT 113. ~~18.45~~

subscription, would then amount to £250,000.

2. With reference to the Minute of the 3<sup>rd</sup> March concerning arrangements made in regard to the German Bondholders Committee consequent upon the retirement of Sir Arthur Worley, and to the Minute of the 14<sup>th</sup> April concerning the Scandaleite Voto, he laid before the Committee his letter of the 7<sup>th</sup> September to D<sup>r</sup> Stracht.

3. With reference to the Minute of the 25<sup>th</sup> March 1936 regarding the necessity for some measure of nationalisation of the Discount Market, there were still some five or six firms having Discount accounts with the Bank whose capital and resources were £200,000 or less - insufficient for the commitments they should be prepared to undertake. He had seen managers of each of these firms and explained that the special facilities afforded here, which are now granted to them only from year to year, could not be continued to them indefinitely.

The position would undoubtedly be improved by a process of amalgamations but owing mainly to personalities this course appeared to be impracticable at the present time.

~~18.54~~  
CT 4.01

4. He laid before the Committee his personal and confidential letter of the 3<sup>rd</sup> September to [redacted] who had asked for an opinion on the fitness of [redacted] for the position of [redacted]

Wednesday, the 22<sup>nd</sup> September 1937.

Present:-

The Governor.  
Lord St. Just.  
Mr. Whigham.  
Sir Joseph Stamp.  
Sir Andrew Duncan.  
Sir Edward Peacock.  
Lord Hymley.

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

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

The following were submitted -

1. Weekly Reports on Central Banks

22<sup>nd</sup> September 1937.

24

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 a pension be granted in accordance with the Scale and under the provisions of the Trust Deed of the Superannuation Fund to J. L. Pearson, an Auxiliary Woman Clerk: age 48 years: Service 20 years: £80 a year from the 1<sup>st</sup> October 1937 inclusive.
2. That the Quorum for all Standing Committees be two members, excluding Governors and Executive Directors.

CT 72.

In case of need a member shall, with the approval of the Governor, arrange for another Director to act as his alternate at one or more meetings. Any such arrangement shall be reported to the Court.

With reference to the recommendation of the Special Committee on Organisation, which was approved by the Court on the 23<sup>rd</sup> June 1932, that there should be two Directors available week by week in rotation to whom the Officials should first apply in case of need, it was agreed to recommend to the Court of Directors that Executive Directors be excluded from the pool.

+ 770.  
CT 68  
+ CT 69.07

The Final Report of the Special Committee appointed by the Court on the 1<sup>st</sup> March 1937 to consider questions concerning Branch Premises was laid before the Committee. The Report will be submitted to the Court of Directors and lie on the table for, say, two weeks.

The Governor proposes in due course to arrange that a Special Committee be set up to carry out over a period of years the recommendations of the Branch Premises Committee as approved by the Court, and to advise the Court as to the desirability or otherwise of closing any existing Branches and opening others.

+ 56.  
CT 39.02

With reference to Minutes of the 2<sup>nd</sup> June and earlier, the Governor informed the Committee that the expenses incurred up to the present by the Chinese Bondholders Committee had been paid in full by the Chinese Government.

John  
Lay



Wednesday, the 29<sup>th</sup> September 1937

Present:-

The Governor  
Lord S. Just  
Mr. Wingham  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Leacock  
Lord Hyndley

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

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

The following were submitted:-

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

The Governor acquainted the Committee of the following matters:-

+783.  
CT 69.01

1. He had received from the Chairman of the Rebuilding Committee a statement showing the estimated total cost of the rebuilding and of new furniture to be £5,082,000. It would therefore be necessary to make further provision to the extent of £252,000.

The Governor proposes, in agreement with the Chairman, that the Rebuilding Committee shall devise an effective method of control over future expenditure and shall make no further commitments either direct or through their experts without the authority of a minute of the Committee of Treasury. In the absence of such authority £5,082,000 is to be regarded as the limit of expenditure.

+785  
CT 50.01

2. With reference to the Minute of the 30<sup>th</sup> June as to the Bank's investment policy, he laid before the Committee a statement of British Government Securities in the Banking Department. Excluding the holding of Treasury Bills, Securities with a fixed redemption date now represent 73% of the total.

+786.  
CT 39.03

3. With reference to Minutes of the 1<sup>st</sup> February and earlier regarding the arrangements for Mr. Rogers' stay in China, although the organisation of the new Central Reserve Bank is in the present circumstances held up indefinitely, he is nevertheless doing useful work as a Financial Advisor to the

29<sup>th</sup> September 1929

Central Bank of China.

26

The Chinese have now asked Mr Rogers to go to Hankow and perhaps elsewhere. In agreement with the Treasury the Governor proposes to say that so far as the Bank and Whitehall are concerned he is free to comply with this request. There is no question at present of any alteration in the existing arrangements whereby his salary is paid by the Bank and all expenses are met by the Chinese.

~~1784~~  
CT67-06

18. An application had been received from the Secretary of "The Prayer Fellowship", a group of some twenty of the younger members of the Staff, for the use of the Oak Room for one of their meetings. Up till now this room has been used only by well-established societies with a considerable membership and it was thought desirable not to depart from this rule in the present instance. The Secretary would be advised that a room in the Johnhouse Yard Club would willingly be reserved for his meeting.

1207-

Wednesday, the 6<sup>th</sup> October 1929

Present:-

The Governor  
Lord S'Just  
Mr. Whigham  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock.

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

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 pensions be granted in accordance with the scale and under the provisions of the Trust deed of the Superannuation Fund to-

Emily Graves, an Auxiliary Woman Clerk: age 50 years on the 21<sup>st</sup> October next: service 19 years: £76 a year from the 22<sup>nd</sup> October 1929 inclusive.

S. J. M. Hunt, an Auxiliary Woman Clerk: age 50 years on the 29<sup>th</sup> October next: service 18 years: £72 a year from the 30<sup>th</sup> October 1929 inclusive.

A. J. Miller, 1<sup>st</sup> Messenger to the Chief Accountant: age 65 years on the

20<sup>th</sup>

6<sup>th</sup> October 1937

20<sup>th</sup> October next. Service 32 years. £137.16.8 a year from the 21<sup>st</sup> October 1937 inclusive.

2. That the Bank should accede to a request of the [redacted] to open an account in the Drawing Office, if and when such request be made.

3. That a donation of £100 be made in response to an appeal received from the London School of Economics for the endowment of the Department of Business Administration.

A letter from the Hospital Savings Association was laid before the Committee, asking that the Bank should make an annual subscription to cover the difference between payments made to the Association by certain members of the Non-Medical staff and the actual cost of the hospital treatment they receive. It was considered that, in view of the Bank's subscriptions to London hospitals as a whole, the appeal should be declined and the Secretary was instructed to write to the Association accordingly.

The Governor requested the Committee of the following matters-

~~1854~~  
CT 4.01

1. With reference to the Minute of the 23<sup>rd</sup> June, he laid before the Committee a letter from the Chancellor asking that the Bank should take such steps as might be necessary to grant a temporary advance to [redacted] if required, up to a maximum of £3 million, in connection with the requirements of [redacted]

The Governor also laid before the Committee his letter of the 5<sup>th</sup> October to the Chairman of [redacted] agreeing to make such an advance, should the need materialise, upon the terms and conditions detailed in the Chairman's letter of the 20<sup>th</sup> September.

~~1852~~  
CT 164

2. With reference to Minutes of the 7<sup>th</sup> October 1936 and earlier, the outstanding balance of the advance to the [redacted] had now been repaid. After deducting the amount returned to [redacted] to be applied to the relief of prisoners of the Company, the Bank had taken into profit interest to the amount of £109,000.



1<sup>st</sup> October 1937.

N/E. ~~1864~~

3. In pursuance of the policy of maintaining personal contacts with foreign Central Banks, Mr Gunstow had recently spent 3 1/4 days in Berlin.

Office File  
230

~~1864~~  
1887

4. He had asked Mr. Clay to arrange to go to Manchester in the near future for a short visit.

CT 69 02. ~~1705~~

5. When the staff now working at Sinsbury Circus returns to the Head Office in 3 or 4 years' time, a considerable extension of the present Luncheon Club accommodation will be needed. After consideration of various alternatives, it appears that the difficulty could best be solved if Nos. 1 and 2 Tottenhouse <sup>Buildings</sup> ~~House~~, which adjoin the existing Club, could be acquired. Although purchase of the freehold was impossible, it is thought that the leasehold interest might be obtained with vacant possession in a year or so's time. He therefore sought the agreement of the Committee of Treasury to the negotiations for a 99 years' lease, at a ground rent of from £5/6,000 per annum, with a view to the erection of a building at an estimated cost of, say, £100,000.

The Committee concurred and also agreed with negotiations for purchase of the freehold now occupied by the Bank of Australasia to the south of the present Club premises. It is understood that a sum of £150,000 had been asked for this property and this amount was to be regarded as a maximum.

~~188~~  
CT 97

6. With reference to the appeal for the relief of distress in China undertaken by the Committee of the China Association in conjunction with the British Red Cross Society and the Conference of British Missionary Societies, the Lord Mayor had been asked, with the approval of A.M.G., to organize a special appeal in the City. A small meeting was to be held at the Mansion House on Tuesday to consider how best to proceed and at the special request of the Lord Mayor the Governor had agreed to attend.

6.27

Wednesday, the 13<sup>th</sup> October 1937.

Present  
A full Committee

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

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

The following were submitted -

1. Weekly Reports on Central Banks
2. Committee on Advances and Discounts -
  - (a) Report on the Discount business of the Bank for the month of September.
  - (b) Report that the ratings of all firms other than Directors' firms whose acceptances or endorsements are taken by the Bank had been reviewed.

The Quarterly Report of the Staff Committee as to wages, pensions, etc., and a Minute of that Committee recommending appointments were submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors -

1. That the name of [redacted] be added to the list of Banks and Insurance Companies from whom the Chief Cashier, under an Order of Court of the 1<sup>st</sup> July 1923, may accept Indemnities in respect of Bank Notes mutilated, lost or destroyed.

2. That a donation of £1000 be made to the Fund for the Relief of Distress in China if and when the Lord Mayor issues an appeal to the City.

The Governor acquainted the Committee of the following matters -

1. The recent conference of the Labour Party had adopted a programme of measures which it was proposed

13<sup>th</sup> October 1937

should be carried in a single Parliament by a Labour Government possessing the requisite support.

The proposals included the nationalisation of the Bank and, in the event of effect being given thereto, it might be maintained by the Proprietors that the Bank, having thus received notice, should have taken steps to protect their interests in the Reserves which had been built up in the past at their expense.

After discussion it was agreed that there was no action which could properly or usefully be taken at this stage.

CT-123

2. Sir Bertram Armstrong had recently suggested that the Bank might enter into negotiations for the sale to certain firms, formerly resident in Germany, of part or all of their holding of shares of the Anglo-International Bank.

He had refused to consider the suggestion for the reasons stated in the Minute of the 21<sup>st</sup> April, when a similar proposal was brought before the Committee.

CT 60.08

3. J. H. Weatherall, a Grade II Class 2 Clerk in the Accountants Department, had been granted four months' special leave with full pay in order that he might accept an invitation from the Amateur Athletic Association to represent England at the Empire Games in Australia in February next.

CT 4.01

4. With reference to the minute of the 6<sup>th</sup> October, he laid before the Committee his letter of the 7<sup>th</sup> October to the Chancellor, informing him that the necessary formalities for the granting of a credit in connection with [redacted] had now been concluded.

CT 100.03

5. [redacted] had agreed at the October Meeting to make some provision for the [redacted] she had been left in straitened circumstances so avoid the creation of what might prove an awkward precedent, the grant was to be made in consideration of [redacted] services in connection with the foundation of [redacted].

CT 100.03

With reference to minutes of the 17<sup>th</sup> March and earlier as to Central Bank's representatives on the management of the



13<sup>th</sup> October 1937.

§ 1.2, the question of an appointment to the position of General Manager, rendered vacant by Monsieur Quénay's death, was discussed at a private meeting of the Governors on Sunday last.

The Chairman took the line (with which the Governor was in general agreement) that the B.I.S. was overstaffed at the top and that there could be no satisfactory administration or personnel so long as appointments to the managerial posts were made on the present national basis and earned remuneration at the present exorbitant scale. The Chairman put forward a suggestion that the Assistant General Manager, a German, should act as General Manager with his existing salary for, say, two years, at the end of which period the whole <sup>position</sup> ~~question~~ should be reconsidered. It was, however, apparent that any such change would be extremely unpalatable to the French, and indeed the Governor of the Bank of France could agree only to the indefinite appointment of a Frenchman to the vacant post without any change in the present salary or conditions.

No decision was reached and the question was deferred until the next monthly meeting.

With reference to Minutes of the 14<sup>th</sup> March and earlier, it was reported that one or two Central Banks had recently, upon request, sold gold coins to their markets at a premium. The Bank of England would not undertake such business and the majority of those present were agreed as to its undesirable nature, particularly where a Central Bank was concerned, as the coins were intended for smuggling into France and certain countries in South Eastern Europe; nevertheless it had been impossible to reach general agreement that it should be discontinued.

+239  
1894  
CT95.

207

Wednesday, the 20<sup>th</sup> October 1927

Present-

The Governor  
The Deputy Governor  
Lord S. Just.  
Mr Whigham.  
Lord Craigmuir  
Sir Andrew Duncan  
Sir Edward Leacock.  
Lord Hurdley

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

It was agreed that no alterations 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 Quarterly Report of the Audit Committee on audits taken by the Audit Department was submitted and referred to the Court of Directors.

Arising from the Final Report of the Special Committee appointed on the 1<sup>st</sup> March 1927 which was adopted on the 11<sup>th</sup> October, it was agreed to recommend to the Court of Directors-

1. That the question of allowances to Agents and Sub-Agents in lieu of residence be referred to the Staff Committee who shall in due course make their recommendations to the Committee of Treasury for submission to the Court of Directors.

2. That a Special Committee be appointed consisting of-

Mr Kitson (Chairman)

Mr Holland-Martin

Mr Bernard

with Mr Neill as Secretary

to advise the Court of Directors from time to time through the Committee of Treasury, and to implement decisions of the Court, in regard to-

1. The necessary arrangements consequent upon any resolution of the Court concerning the retention or otherwise of the Aust Branch and the establishment of one or more new branches.
2. The manner in which effect may best be given to the recommendations of the Special Committee appointed by the Court on the 1<sup>st</sup> March 1927, particularly in regard to-  
(a) any Branch Branches which cannot be left in their present state owing to the dangerous condition of the structure.

1770  
ex 68  
ex 69 07

20<sup>th</sup> October 1937

## Structure:

(b) the selection of an Architect or Architects and the choice of style, site, etc., for any new Branches to be built and for Branches to be rebuilt; it being understood that so far as possible such work shall be undertaken only when it is considered that general conditions are favourable.

(c) the sale of unneeded sites and the purchase of others.

The Committee shall have power to appoint a Sub Committee or Committees on which officials and qualified experts, such as the Clerk of Works, may sit to advise on technical questions.

The Committee shall collaborate in all questions relating to-

(a) the closing of existing and the establishment of new Branches, with the Governor and Deputy Governor, through whom any approach to the clearing banks shall be effected.

(b) the movement of Agents and Sub-Agents from Branch residences, with the Staff Committee.

The Governor acquainted the Committee of the following matters-

~~1846.~~

CT 100

1. With reference to the Minute of the 17<sup>th</sup> June 1936, the Bank's Sterling deposit with the Bank for International Settlements had, at their request, been increased temporarily from £200,000 to £300,000 upon the assurance that they were in a position to use such Sterling resources to advantage in their general banking business. The position would be reviewed from time to time so as to ensure that the Bank's deposit was serving a useful external purpose and did not acquire the character of a fixed deposit.

~~1858~~

~~1872~~

CT 84

2. With reference to the Minute of the 28<sup>th</sup> July, the Securities in the Issue Department were at the present time over-valued to the extent of about £11 million. Arrangements regarding the valuation of Securities in the Issue Department as well as the basis of ascertainment of profits had been agreed with the Treasury when the Issues were amalgamated in 1928.



20<sup>th</sup> October 1929

34

and were subject to Treasury minute: but although there had been occasions in the past when the securities were temporarily over-valued, owing to income not being immediately available to offset depreciation, the present position was obviously of a more permanent character. Indeed on the present basis of income and expenditure, if security prices remained constant, it would be some seven or eight years before the existing depreciation could be adjusted.

If the position had to be immediately rectified it would be necessary either for the Treasury to seek statutory authority to make the necessary provision or for the Banking Department to transfer securities to cover the loss. Neither of these alternatives appeared practicable.

The matter was further complicated by the ambiguity of the wording of the 1928 Act which laid certain general duties on the Bank regarding securities in the Issue Department and which under a certain interpretation might lay the Bank open to the criticism of having published a false Return.

Although he was unable to propose any action at this stage, he wished the Committee to realise the position as he foresaw the possibility of attention being drawn, both in the Press and in Parliament, to the absence of receipts "on account of the profits of the Note Issue" in the annual accounts over a long period.

1787  
CT 94.

3 In consequence of rumours from Paris and Vienna that Lazard Brothers and Co. Ltd. were in serious difficulties, he had, on the evening of the 16<sup>th</sup> October, handed a memorandum in the following terms to the Financial Editors of the leading London newspapers to use as they thought fit -

"Attention has been called to reports appearing in certain continental newspapers to the fact that a financial house of importance in London is in serious difficulties."

"We have been informed from official sources that these reports are not only entirely untrue but devoid of any foundation whatever."

At the special request of Sir Robert Kindersley the name of his firm was not specifically referred to in the memorandum, although the Governor would have preferred that an official announcement had been made through a Press Agency and that all names had been mentioned.

1787  
Sept 29

Wednesday, the 27<sup>th</sup> October 1937

Present:-

The Governor  
The Deputy Governor  
Mr. Whigham  
Lord Craigmyle  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock

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

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

The following were submitted:-

1. Weekly Reports on Central Banks
2. Monthly 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 that pensions be granted in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund to:-

Frank Tregon, an Inspector, formerly a Compositor, S. Lucas  
Printing Works: age 66 years: Service 35 years.  
£150 p.a. - a year from the 13<sup>th</sup> November 1937 inclusive.

W.A. Sabb, an Inspector, formerly a Compositor, S. Lucas  
Printing Works: age 65 years: Service 33 years.  
£142 18s 8d a year from the 27<sup>th</sup> November 1937 inclusive.

The Governor acquainted the Committee of the following matters:-

1. With reference to the Minutes of the 9<sup>th</sup> December last and earlier, Mr. Bruce Gardner had been invited to act as Chairman of the London Iron and Steel Exchange for the ensuing year. This would be Mr. Bruce Gardner's third term of office and he proposed to tell him that the Bank are agreeable to his accepting the invitation.

2. With reference to the Minutes of the 13<sup>th</sup> October and earlier regarding an appointment to the position of General Manager of the Bank for International Settlements

1455  
CT 183

1498  
CT 100.03 (44)

27<sup>th</sup> October 1937

rendered vacant by Monsieur Buisson's death, he laid before the Committee his letter of the 26<sup>th</sup> October to the Governor of the Bank of France defining his attitude towards this question.

176.  
53902

3

He laid before the Committee his letter of the 26<sup>th</sup> October to Lord Alms, in which he expressed the hope that the Chinese Bondholders' Committee would see their way to reconsidering a decision taken by them in June last to the effect that they were not competent to deal with an offer of the Chinese Government in respect of certain Shanghai-Nanking Railway Nit Profit Certificates.

203

Wednesday, the 3<sup>rd</sup> November 1937.

Present:-

The Governor  
The Deputy Governor  
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 draft Minutes of the last Meeting were

in the Bank Rate.

It was agreed that no alteration be recommended

submitted.

The Weekly Reports on Central Banks were

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

1. Quarterly Report of the Staff Committee upon-
  - (a) Examination of Principals of the various Offices in the Accountants', Cashier's and Secretary's Departments;
  - (b) "Over" and "Shorts" in Cash, etc.
2. A Minute of the Committee on St. Luke's recommending an appointmant.

It was agreed to recommend to the Court of Directors that a donation of One hundred quinnas be made in response to an appeal for an Endowment Fund for the care of the fabric of Southwark Cathedral.

The Governor acquainted the Committee of the following matters:-

1. With



3rd November 1937

CT 113.03

CT 45

CT 41

~~1877~~~~1878~~~~1879~~

1. With reference to the Minute of the 17th March 1937 as to the arrangements made with acceptors, other than the clearing banks, that by the 30th September they should take up their German Standstill acceptances to the extent of at least 30% of the figure at which they stood at the 31st December 1936, a reduction of 25% had in fact been effected and the amount of these acceptances in the Market now stood at £15,200,000. The incidence of the reduction was not quite now owing to payments.

The whole of the Hungarian Standstill Bills, amounting to £2,379,000, had now been taken off the Market.

~~1877~~

CT 68

2. With reference to the Minute of the 24th March 1937, it was apparent from recent discussions that we should not receive from the clearing banks as a whole a definite expression of opinion as to any changes in the present geographical distribution of the Bank's Provincial Branches nor any encouragement to add to their number. In these circumstances he had written to the Chairman of the Clearing Banks' Committee to say that for the time being the Bank did not propose to make any change in the existing arrangements.

Unless circumstances should arise which might make an earlier decision advisable, the Governor proposed to postpone for a few months consideration as to the retention or otherwise of the Hull Branch.

~~1879~~

CT 92

3. One of the Scottish Banks had sought the Bank's advice regarding a suggestion that they should pay up the existing uncalled liability of the shareholders by means of a transfer partly from the published and partly from the secret reserves. There was no intention of increasing the amount distributed from profits, so that one effect of the proposal would be to reduce the nominal rate of dividend.

The Deputy Governor had informed a representative of the Bank in question that, while the Bank of England had no opinion to offer in regard to paying up the uncalled capital, we should, if they decided to follow this course, advise them to use their published reserves to the extent that they could afford, and to raise any balance needed by the issue of further capital at a premium.

Wednesday, the 10<sup>th</sup> November 1937.

Present-

A full Committee

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

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

The following were submitted -

1. Weekly Reports on Central Banks.
2. Committee on Advances and Discounts -

(a) Report on the Discount business of the Bank for the month of October.

(b) Report on Advances granted under Paragraph 13, Section (b) of the Internal Regulations, and on Special Advances.

A Minute of the Committee on Advances and Discounts recommending the continuance to certain customers of facilities in connection with the repayment of advances, etc., was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors that a donation of £100 be made to the Three Towns, Plymouth, Nursing Association in response to an appeal by the wife of the Agent of the Plymouth Branch, on the understanding that the Bank's name should not appear in connection with the gift.

+770  
CT 68

A memorandum, dated the 28<sup>th</sup> October, from the Principal of the Branch Banks Office, regarding a scheme for the transfer of all accounts at the Bank's Provincial Branches to the Drawing Office was laid before the Committee. The scheme was based upon a suggestion put forward as a measure of economy by the Agent of the Liverpool Branch and it was estimated that its adoption might result in a saving of some £20,000 a year.

In view, however, of the loss of prestige in the provinces which the Bank would inevitably suffer by reason of their Branches thus becoming mere currency depots and revenue collection centres, it was decided that the scheme should not be adopted.

With

10<sup>th</sup> November 1937

43-6  
 CT81 137  
 CT84  
 CT84.01

With reference to the Minute of the 6<sup>th</sup> January 1937 regarding the reduction of £60 million in the Fiduciary Issue, which had subsequently been removed until the 13<sup>th</sup> November, the Deputy Governor informed the Committee that on this basis, owing to Christmas currency demands and to the normal rise in deposits at the turn of the year, it was estimated that the total reserve might fall as low as £12 million with a proportion of 7%.

The position could have been remedied by a further purchase of gold from the Exchange Equalisation account, but this course had been rejected as a sale of gold when the circulation reached a lower level might not have proved acceptable to the Treasury, in which case a considerable reduction in the earning assets of the Banking Department would have had to be faced.

It had therefore been decided, in agreement with the Treasury, to apply as from the 13<sup>th</sup> November for a removal of the reduction in the Fiduciary Issue to the extent of £60 million only, for a period not exceeding two months. Arrangements had been made for official intimation of the change to be given in the House of Commons early next week.

43-78  
 CT100.03 (4)

The Governor acquainted the Committee that no business of importance had been transacted at the November Meeting of the Board of the B.I.S.

With reference to Minutes of the 27<sup>th</sup> October and earlier, there had appeared to be no prospect of agreement in regard to the vacancy on the Managerial Staff resulting from the death of Monsieur Guesnay and therefore the Chairman had not raised the subject at the Meeting.

*[Signature]*  
 12.11.37



Wednesday, the 19<sup>th</sup> November 1929

Present.

The Governor  
Lord Craigmuir  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edmund Peacock  
Lord Alington

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

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

The following were submitted.

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

A Minute of the Staff Committee concerning the making of some additional provision for the dependents of those members of the Staff who die while still in the service was submitted and consideration thereof was deferred for a week.

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

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

(a) a pension be granted to -

J. B. Nash, an auxiliary Woman Clerk age 68 years: service 18 years: £12 a year from the 15<sup>th</sup> December 1929 inclusive.

(b) an allowance be granted to -

Mrs. [redacted] Widow of [redacted] formerly a Machinist at J. J. L. Printing Works: £26 a year from the 11<sup>th</sup> October 1929 inclusive.

The Governor acquainted the Committee of the following matters -

1. Authority had been given to the special Committee on Branch Unmanned to make such preliminary payments as might prove necessary prior to their obtaining the sanction of the Court to any specific proposals.

The Committee would be advised that regard should

+ 270  
CT 6907

17<sup>th</sup> November 1937

should be given to the provision of protection against air-raids when considering plans for the rebuilding or restoration of Branch Premises.

CT 90.02

2. He had recently discussed with the Chairman of the Clearing Bankers Committee the question of interest rates on foreign funds deposited in London. Provided that the members of the British Bankers Association were willing to come into line, the Clearing Bankers Committee had agreed to reaffirm an arrangement made some five years ago among the Clearing Bankers that such deposits at 14 days' notice or under should not bear a higher rate of interest than  $\frac{1}{2}\%$ .

CT 39.02

3. With reference to Minutes of the 27<sup>th</sup> October, he laid before the Committee his letter of the 11<sup>th</sup> November to Lord Altruss setting out extended terms of reference for the Chinese Bondholders Committee which had been drawn up in agreement with the Chairman.

CT 192. 188.01  
189.02  
CT 185

4. With reference to Minutes of the 26<sup>th</sup> March and earlier, the question of the disposal of the Bank's controlling interest in Armelings and in the Lancashire Steel Corporation had again been raised at a recent Meeting of the Securities Management Trust.

All that was at present proposed was that Mr Bruce Gardner, as Chairman of Armelings and of L and L Assets Ltd., should discuss the position at a round-table conference with the Chairmen of Pearson and Knowles, Partingtons, the Lancashire Steel Corporation and the Wigan Coal and Iron Co.

187

Wednesday, the 24<sup>th</sup> November 1937

Present

The Governor  
The Deputy Governor  
Lord Sifert  
Lord Craginyle  
Sir Asahi Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Agynoley

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

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

The Weekly Reports on Central Banks were submitted.

24<sup>th</sup> November 1937

42

The Report of the Staff Committee concerning the making of some additional provision for the dependants of those members of the staff who die while still in the service, and in certain circumstances for the dependants of prisoners was further considered and referred to the Court of Directors, to whom it was agreed to recommend that, if and when the Report shall have been adopted by the Court -

- (a) the Rules regarding the granting of pensions on account of ill-health be strictly observed;
- (b) the Secretary be instructed to furnish a considered estimate of the cost of the proposals and to advise the Trustees of the Superannuation Fund as to the methods by which payment could best be made by the Bank to the Fund.

The Governor acquainted the Committee of the following matters -

HA 55  
CT 50.09

1 With reference to the Minute of the 2<sup>nd</sup> June 1937, he laid before the Committee a statement showing the cost of managing and the income derived from Central Banks' accounts during the half-year ended the 31<sup>st</sup> August 1937. The estimated profit on a costing basis amounted to £3,016.5.11.

HA 87  
CT 167

2 With reference to the Minute of the 2<sup>nd</sup> June 1937, the costs incurred by the Bank on behalf of the League Loans Committee during the half-year ended the 31<sup>st</sup> August last amounted to £2,423.12.8. These figures were estimated on a costing basis and the actual out-of-pocket expenses amounted to less than £500.

CT 29 HA 70

3 He laid before the Committee his personal letter of the 11<sup>th</sup> November to Honsieur Paul van Zeeland, together with a reply dated the 13<sup>th</sup>.

4 He also laid before the Committee personal letters he had written -

HA 76  
CT 39.03

(a) to Sir Frederick Leith-Ross, on the 22<sup>nd</sup> November, regarding the understanding reached with [redacted] before his recent departure for China that if he should feel the need of assistance he could at any time have a companion from his country.

HA 87  
CT 32.02

(b) to the Governor of [redacted] on the 17<sup>th</sup>.



24<sup>th</sup> November 1937

17<sup>th</sup> November, bringing to his notice the name of [redacted] of [redacted]  
[redacted] as one who might well be considered in  
connection with the appointment of [redacted]  
[redacted]

*[Signature]*  
Secy.

Wednesday, the 1<sup>st</sup> December, 1937.

Present :-

The Governor,  
The Deputy Governor,  
Lord St. Just,  
Sir Andrew Duncan,  
Sir Edward Pencocke,  
Lord Hyndley.

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

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

The following were submitted :-

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

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

(a) A pension be granted to -

A. A. B. James, an Auxiliary Clerk: age 62 years:  
service 18 years: £162 a year from  
the 1<sup>st</sup> March 1938 inclusive.

(b) An allowance be granted to -

Mrs. [redacted] Widow of [redacted] formerly a  
House Porter and Watchman: £26 a  
year from the 20<sup>th</sup> November 1937 inclusive.

LA 65  
ST 50 03

The Governor acquainted the Committee that Messrs. Selwicks had completed their Audit of the Bank's Accounts for the half-year ended the 31<sup>st</sup> August, 1937: he laid before the Committee copies of the Certificates dated the 24<sup>th</sup> November which had been appended to the Balance Sheets of the Banking and Issue Departments.

*[Signature]*  
Secy.

Wednesday, the 8<sup>th</sup> December 1937

Present.

The Governor  
The Deputy Governor  
Mr Whigham  
Sir Joseph Stamp  
Sir Edward Hacock  
Lord Hynodley

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

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 pensions be granted under the provisions of the Trust Deed of the Superannuation Fund -  
in accordance with the scale

Thomas Zwingler, Principal of the Bank Note Office: age 65 years on the 22<sup>nd</sup> December next: service 16 years: £80:1:6 a year from the 22<sup>nd</sup> December 1937 inclusive.

Under the terms of an Order of Court of the 9<sup>th</sup> April 1936

A. E. Saxton, a Linotype Operator at St. Luke's Printing Works: age 66 years: service 19 years: £97:15:6 a year from the 1<sup>st</sup> January 1938 inclusive.

W. A. Groomfield, a Compositor at St. Luke's Printing Works: age 66 years: service 19 years: £73:11:6 a year from the 1<sup>st</sup> January 1938 inclusive.

J. W. Carley, a Compositor at St. Luke's Printing Works: age 60 years: service 21 years: £84:11:8 a year from the 15<sup>th</sup> January 1938 inclusive.

It was agreed that the Bank should not subscribe to the appeal which had been received on behalf of the Kipling Memorial Fund.

The Governor acquainted the Committee of the following matters -

1-88  
ET 4501

1. With reference to the Minute of the 27<sup>th</sup> May 1936 regarding the Trusteeship of the Dawes Loan, the vacancy created by Mr Neulen's death had now to be filled. The existing Trustees, in whose

names

8<sup>th</sup> December 1937

names the appointment needed, were Mr [redacted] and Mr [redacted] and it was thought proper that the third Trustee should be an Englishman.

The Governor asked Members of the Committee to submit the names of anyone who they considered might prove suitable.

CT 192 ~~1861~~

1892

CT 185

2 With reference to the Minute of the 17<sup>th</sup> November as to the disposal of the Bank's controlling interest in Armstrong's and in the Lancashire Steel Corporation, following upon the round-table conference on the 21<sup>st</sup> November between Mr Bruce Gardner and the Chairman of Pearson and Sonnetts, Baringtons, the Lancashire Steel Corporation and the Higan Iron and Coal Company, it had been agreed to postpone consideration of the question until the Spring, when the accounts of the Lancashire Steel Corporation shall have been published.

1897

CT 74

3 He laid before the Committee an epitome of an article prepared by Mr Clay to measure business interests in the face of the prevailing lack of depression. The article had been written at the request of Sir Andrew Duncan with a view to its publication in the near future in one of the financial newspapers.

It was agreed after discussion that publication would be undesirable owing to the impossibility of effectively ensuring that the identity of the author would not become known.

CT 37 1839

CT 37 02 1834

4 With reference to the Minute of the 9<sup>th</sup> June, he proposes that the question of taking any action here in regard to the [redacted] be postponed for the present.

N/E 1859

1850

5 He laid before the Committee a letter from the Alderman of the Coleman Street Ward asking that the Bank might be represented on the Ward Committee dealing with air raid precautions. The Governor proposes to submit the name of Mr [redacted] of the [redacted] as the Bank's representative.

See 7.



Wednesday, the 15<sup>th</sup> December 1937

Present

The Deputy Governor  
Lord S. J. P. St. John  
Birmingham  
Lord Craigville  
Sir Bannister Leach  
Lord Hynall

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

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 the Agent of the Birmingham Branch be authorised to make a donation of £10.10.0 in his own name, to the Restoration Fund of the Cathedral Church of St. Philip, Birmingham.

HC 31  
CT 138

Under an Order of Court of the 8<sup>th</sup> July 1937, a sum of £500 was paid to Messrs. Freshfields, Jease and Haines for the half-year ended the 31<sup>st</sup> March 1937 over and above the amount of their legal charges according to the usual Scale owing to the demand made by the bank on the line of certain Partners.

It was agreed to recommend to the Court of Directors that a similar payment of £500 be made for the half-year ended the 30<sup>th</sup> September.

It was also agreed that this question should be further considered when the account for the half-year ending the 31<sup>st</sup> March next shall have been rendered.

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

CT 189 HC 53  
CT 171 HC 37

1. With reference to the Minute of the 17<sup>th</sup> March, arrangements had now been made with the liquidators of Grace Brothers for that Company's holding of one "A" Ordinary Share of the Bankers' Industrial Development Company to be transferred to the Securities Management Trust.

CT 119. HC 67  
CT 60.10

2. [redacted] of the Overseas and Foreign Department is leaving London early in the New Year on a visit to Australia, New Zealand and Canada. The arrangements had been made in pursuance of a plan for the exchange of visits by the junior personnel which

15<sup>th</sup> December 1937.

*[Signature]*  
Dec 7

Present-

The Governor  
The Deputy Governor  
Lord S. Just  
Lord Clarendon  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymndley

CT 189 + C.53

CT 171 + C.37

CT 192 (1)

1778

CT 176

which had been discussed when the representatives of the Dominion Central Banks met here in May last.

Thursday, the 16<sup>th</sup> December 1937

The Governor acquainted the Committee of the possibility that the Prime Minister may wish Mr Bruce Gardner to undertake work connected with the Government re-armament programme in regard to which it is hoped that arrangements may be made before Ministers disperse for the Christmas recess.

In these circumstances, he proposes to say that the Bank are willing that Mr Bruce Gardner should be freed at any time and to make it clear to Mr Bruce Gardner that, should he accept such an appointment, it must be on the understanding that his connection with the Bank would thereby be terminated without any agreement as to the future.

It might therefore be necessary for the Committee to consider the question of a successor, in regard to which he would of course consult Mr Bruce Gardner and Sir Nigel Campbell. The farrow Steel Works and the liquidation of Armstrongs were the most pressing problems in this connection, though in the case of farrow it might be possible to arrange that Mr Bruce Gardner be allowed to carry on as chairman, at any rate for the time being.

*[Signature]*  
Dec 7

Wednesday, the 22<sup>nd</sup> December 1937Present-

The Governor  
The Deputy Governor  
Lord S. Just  
Mr Whigham  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymndley

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

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.

27<sup>th</sup> December 1927

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

~~1870~~  
CT 68

A Report of the Staff Committee in regard to allowances to Agents and Sub-Agents in lieu of residence was submitted and consideration thereof deferred for a week.

The Governor acquainted the Committee of the following matters -

~~1855~~  
CT 122

1. With reference to the Minute of the 7<sup>th</sup> October <sup>1936</sup>, he laid before the Committee the Chief Cashier's note of the 15<sup>th</sup> December regarding the progress of the liquidation of the assets of Chénit Ltd.

~~1856~~  
CT 116

2. With reference to Minutes of the 2<sup>nd</sup> January 1925 and earlier, he laid before the Committee a copy of a letter he had written to Sir Ernest Harvey following upon the voluntary liquidation of the Royal Mail and Elder Dempster Realisation Companies. Similar letters had been written to Lord Catto, Sir William H. Lintock, Sir Charles Barrer and Mr. Dawson.

~~1878~~  
CT 100.03 (H)

3. With reference to Minutes of the 10<sup>th</sup> November and earlier, at the December Meeting of the Board of the Bank for International Settlements, Monsieur Roger Auboin had been appointed General Manager as from the 1<sup>st</sup> January 1928. In this connection the Governor read a confidential note he had received from the President setting out the terms of a proposal, which had received the unanimous approval of the Governors, that the Statutes should be altered in May next with a view to abolishing the posts of General and Assistant General Managers so that in future, apart from the President of the Bank, the Chief officials would rank only as Managers.

*Govt.*  
627



Present.

The Governor  
The Deputy Governor  
Lord S. Just.  
Mr. Whigham  
Lord Craigmyle  
Sir Edward Peacock.

Wednesday, the 29<sup>th</sup> December 1927.

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

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

The following were submitted -

1. Weekly Reports on Central Banks.
2. Monthly letter to Dominion Central Banks.

An amended Report of the Staff Committee with recommendations as to allowances to Agents and Sub-agents in line of residence was submitted and referred to the Court of Directors.

470  
CT 68

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 -

Joseph Sturdy, Deputy Municipal Drawing Office - age 59 years. Service 41 years: £641.3- a year from the 22<sup>nd</sup> March 1928 inclusive.

*for*  
1927.

Present.

The Governor  
The Deputy Governor  
Lord S. Just.  
Mr. Whigham  
Sir Andrew Duncan  
Sir Edward Peacock.  
Lord Hyndley.

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

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

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 half-yearly Accounts be brought before

5<sup>th</sup> January 1928the Court of Directors on Thursday, the 17<sup>th</sup> March.

That a General Court to consider of a Dividend (which will also be a half-yearly General Court) be held at the Bank on Thursday, the 24<sup>th</sup> March, at 12 o'clock.

That with a view to the preparation of a Dividend the balance of the Stock ledgers of Bank Stock be taken on the night of Thursday, the 24<sup>th</sup> March, and that the dividend warrants be delivered on Tuesday, the 5<sup>th</sup> April.

That a General Court for the election of Governor and Deputy Governor for the year ensuing be appointed for Tuesday, the 5<sup>th</sup> April, and for the election of Directors for Wednesday, the 6<sup>th</sup> April, from 11 am to 4 pm each day.

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 Foreman, formerly a Foreman in the Works Department £26 a year from the 24<sup>th</sup> December 1927 inclusive.

4465

CT 50-08

Letters from Messrs Deloitte regarding the Audits recently undertaken by them at the Birmingham and Leeds Branches were laid before the Committee.

4088

CT 45-01

With reference to the Minute of the 8<sup>th</sup> December 1927, the Governor acquainted the Members of the Committee that he proposed, if Lord Knutsford should agree, to put forward his name in connection with the vacant Trusteeship of the Davis Loan and to offer him during such time as he shall serve a personal fee of £500 a year to be paid privately by the Bank.

It is understood that there is, in addition, a fee of £100 a year attaching to the post.

1267

Present-

The Governor  
 The Deputy Governor  
 Lord S. Just.  
 Mr. Bigham,  
 Sir Andrew Duncan  
 Sir Edward Peacock  
 Lord Hymdley.

Wednesday, the 12<sup>th</sup> January 1928.

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

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 on the discount business of the Bank for the month of December.

A Report for the half-year ended 31<sup>st</sup> December 1927 on the Non-Clerical Staff at the Head Office and Branches was laid before the Committee and consideration thereof was deferred for a week.

A Minute of the Committee on S. Luke's recommending the granting of a donation to the Lloyd Memorial (Laxton) Staircase Home for men and women was submitted and referred to the Court of Directors.

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

- Sidney Cooper, Principal of the Convoys Office - age 64 years - service 45 years - who, in the opinion of the Bank Medical Officer, is unfit for further service: £328-6-0 a year from the 5<sup>th</sup> April 1928 inclusive.
- J. H. Smith, a Labourer at S. Luke's Printing Works - age 70 years - service 21 years: £72-2-0 a year from the 19<sup>th</sup> January 1928 inclusive.

(b) An allowance be granted to -

- Mrs. [redacted], Widow of [redacted], a Pensioner, formerly a Bank Note Stamper: £26 a year from the 22<sup>nd</sup> December 1927 inclusive.



12<sup>th</sup> January 1938.

The Governor acquainted the Committee of the following matters:-

1288  
ET 45 01

1. With reference to the Minutes of the 5<sup>th</sup> January and earlier, he had seen Lord Kennet who consented to his name being put forward in connection with the recent trusteeship of the Sauria Loan.

ET 189 + 653

ET 171 + 637

ET 192 + 661 (1)

ET 176 + 778

2. With reference to the Minute of the 16<sup>th</sup> December 1937, Sir Charles Bruce-Gardner had now practically concluded arrangements for taking over his new work which he expects to be able to start within the next fortnight.

He had been told that he would be free to leave here at any time but that the Bank would wish him to continue his chairmanship of the new Jarroo Street Company and to remain as chairman of directors until such time as a Liquidator of that Company shall have been appointed. The payment of any fees in connection with these duties would have to be the subject of arrangement with the respective Companies, as all remuneration from the Bank must cease when the new post was assumed.

So far as certain of Sir Charles' other activities were concerned, the appointment of a successor had to be considered.

3. Trade Annual business only had been transacted at the January Meeting of the Board of the Bank for International Settlements.

See 7

### Present

The Deputy Governor  
Lord S. J. P.  
Mr Whigham  
Sir Andrew Duncan  
Sir Edward Pearce  
Lord Ryndley

Wednesday, the 19<sup>th</sup> January 1938.

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

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

The following were submitted:-

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

The

17<sup>th</sup> January 1938

The Report for the half-year ended the 31<sup>st</sup> December 1937 on the Non-Clerical Staff at the Head Office and Branches which was submitted on the 12<sup>th</sup> January was accepted.

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

The Committee had before them a letter from Mrs. Warwick, a Municipal Officer, age 42 years, service 23 years, in which she requested permission to quit the service of the Bank in order that she might continue to act as Secretary to Sir Charles Bruce-Gardner. It was agreed to recommend to the Court of Directors that, in the special circumstances, Miss Warwick's resignation be accepted as from the 18<sup>th</sup> January 1938, inclusive, and that she be granted as from that date and under the provisions of the Trust Deed of the Superannuation Fund a pension of £200 a year, calculated according to the scale as though she had remained in the service until she had attained the age of 45 years.

It was also 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-

now [redacted] widow of [redacted], a pensioner, formerly a Pressman at J. & J. Printing Works Ltd a year from the 10<sup>th</sup> January 1938 inclusive.

The Deputy Governor acquainted the Committee of the following matters -

1815  
CT 71-23

1. at the request of His Majesty's Treasury the Governor had agreed to act as one of the three Trustees for the Sinking Fund of the Sudan Government (½% Guaranteed Loan 1929/33).

2. The Institute of Historical Research were issuing an appeal for a sum of £100,000 for the purpose of building and equipping permanent quarters on the new University site, and Mr. Gore-Brown, as Chairman of the Executive Appeal Committee, proposed to seek the support of the Bankers at their meeting here on the 3<sup>rd</sup> February.

19<sup>th</sup> January 1938.

It was agreed to recommend in due course that a donation be made of a sum not exceeding £500, the precise amount to be left to the discretion of the Deputy Governor when the matter shall be considered at the Bankers' Meeting.

CT 189. ~~FL 53~~CT 171. ~~FL 37~~CT 192. ~~FL 61~~ (1)~~FL 45~~

CT 176

3. With reference to the Minute of the 12<sup>th</sup> January, Sir Charles Bruce-Gardner's formal resignation from the Bank's service had been accepted as from the 18<sup>th</sup> January. In accordance with the Bank's wishes, Sir Charles had arranged with the Society of British Aircraft Constructors Ltd. that he should be free to continue as Chairman of the new Jarrow Ship Company and to retain for the time being the Chairmanship of the Armstrong Whitworth Securities and Engineers Companies.

Wednesday, the 26<sup>th</sup> January 1938.

Present:-

The Deputy Governor  
Lord's Just  
Mr Whigham  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymetay

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

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

The Weekly Reports on Central Banks were submitted.

The Half-yearly Report on the progress of Mechanisation was submitted and consideration thereof was deferred for a week.

A Minute of the Staff Committee recommending appointments and the Quarterly Report as to Wages, Pensions, etc., were submitted and referred to the Court of Directors.

The Committee considered the case of W. J. Moore, a Grade II Class 1 Clerk in the Accountants Department, age 40 years, service 17 years, who is suffering from lung trouble which his Doctor considers may be attributed to his War Service. In the opinion of the Bank Medical Officer this disability renders him unfit for further service and it was agreed to recommend to the Court of Directors that he be granted a pension calculated in accordance with the scale in force

friday



26<sup>th</sup> February 1938.

prior to the 1<sup>st</sup> March 1936, i.e., £143 14s 8 a year, from the 15<sup>th</sup> April 1938 inclusive, under the provisions of the Trust Deed of the Superannuation Fund.

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

William Spearman, a Painter in the Works Department: age 70 years on the 21<sup>st</sup> February 1938; service 16 years: £41 15s 8 a year from the 22<sup>nd</sup> February 1938 inclusive.

W. J. Miles, a Painter in the Works Department: age 70 years on the 1<sup>st</sup> February 1938. service 11 years: £28 11s 8 a year from the 2<sup>nd</sup> February 1938 inclusive.

~~10064~~  
ex 36 1071

The Deputy Governor acquainted the Committee that Mr. Kershaw was leaving shortly on a visit to South Africa at the invitation of the Governor of the Reserve Bank. It was expected that he would return to this country about the middle of April.

ex 8

Mr [redacted] and Mr [redacted] were now absent on short visits to Scandinavia and South Eastern Europe, respectively, for the purpose of maintaining Central Banking contacts.

*Handwritten signature*  
107

Wednesday, the 2<sup>nd</sup> February 1938

Present:-

The Deputy Governor  
Lord S. Just.  
Mr. Humphreys  
Sir Andrew Duncan  
Sir Edward Pearce.  
Lord Hymondley.

The <sup>draft</sup> Minutes of the last Meeting were read and agreed.

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

The following were submitted:-

1. Weekly Reports on Central Banks
2. Monthly 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.

2<sup>nd</sup> February 1938

The Half-yearly Report on the progress of Administration, which was laid before the Committee at their last Meeting, was accepted.

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

## (a) Pensions to be granted to:-

- A. J. Collins a Cashier: age 65 years on the 7<sup>th</sup> February 1938: Service 43 years: £580 7s 6d a year from the 10<sup>th</sup> February 1938 inclusive.
- G. B. Roberts, a Grade II Class 1 Woman Clerk: age 45 years: Service 27 years: £115 a year from the 1<sup>st</sup> March 1938 inclusive.
- Mr C. Stafford, a Grade II Class 1 Woman Clerk: age 50 years on the 15<sup>th</sup> February 1938: Service 20 years: £115 a year from the 16<sup>th</sup> February 1938 inclusive.
- R. S. Camp, an Auxiliary Woman Clerk: age 50 years on the 26<sup>th</sup> February 1938: Service 19 years: £76 a year from the 27<sup>th</sup> February 1938 inclusive.
- L. C. Hetcoer, an Auxiliary Woman Clerk: age 50 years on the 10<sup>th</sup> March 1938: Service 18 years: £72 a year from the 11<sup>th</sup> March 1938 inclusive.
- Mr M. Redding (Mr), a Chairman at the Plymouth Branch: age 62 years: Service 13 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £26 a year from the 8<sup>th</sup> January 1938 inclusive.

## (b) Allowances to be granted to:-

- Mrs [redacted] Widow of [redacted], a Pensioner, formerly a Senior Clerk in the Standard Day Office: £85 a year from the 20<sup>th</sup> January 1938 inclusive.
- Mrs [redacted] Widow of [redacted], formerly an auxiliary Clerk: £35 a year from the 22<sup>nd</sup> January 1938 inclusive.
- Mrs [redacted] Widow of [redacted], a Pensioner, formerly a Store Porter and Watchman: £26 a year from the 25<sup>th</sup> January 1938 inclusive.

ET. 64 1828

With reference to the Minute of the 24<sup>th</sup> November 1937 and to the subsequent Report of the Actuary of the Superannuation Fund concerning the additional provision made for dependants of members of the

2<sup>nd</sup> February 1938

the staff who lie while still in the service, it was agreed to recommend to the Court of Directors that the proposals for meeting the Bank's liability to the Superannuation Fund, contained in the Report of the Trustees dated the 26<sup>th</sup> January, be adopted.

1885  
at 69.02

With reference to the Minute of the 6<sup>th</sup> October 1937 concerning a possible extension of the Bank's premises in Tokinhouse yard, the Deputy Governor laid before the Committee a Report dated the 2<sup>nd</sup> February as to the progress of negotiations for a lease of 1-2, Tokinhouse Buildings. The Committee agreed to the payment of a sum of £23,500 for the present leasehold interest, which runs till 1961, and of a sum not exceeding £5,000 as compensation to existing tenants whose sub-leases in some cases do not expire until 1942.

It was further agreed that the property should be acquired and managed by Lending Officers Ltd., to whom the Bank will advance the money required on debentures or otherwise as may be subsequently determined.

Wednesday, the 9<sup>th</sup> February 1938.

Present:-

The Deputy Governor  
Lord R. J. J. J.  
Mr. W. W. W.  
Sir Andrew Duncan  
Sir Edward Leacock  
Lord Alington

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

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 January;
  - (b) on Advances granted under Paragraph 13, Section (b), of the Internal Regulations, and on Special Advances.

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

Committee



9<sup>th</sup> February 1938

## Committee on Advances and Discounts-

- (a) Report on the business of the Bank during the past year in regard to Advances, Discounts, etc.,
- (b) Minute recommending the continuance to Messrs Jones and Brown of facilities in connection with the repayment of Advances, etc.

It was agreed to recommend to the Court of Directors -

1. That the rate of interest to be allowed by the Bank to the Bank Provident Society on deposits by Members be continued for the year ending 28<sup>th</sup> February 1939 at the rate of  $3\frac{1}{2}\%$  free of Income Tax.
2. That a donation of £300 be made in response to an appeal on behalf of the Institute of Historical Research (University of London)

The list of subscriptions to Charities, etc., for the current year was submitted and approved.

Wednesday, the 16<sup>th</sup> February 1938

Present

The Deputy Governor  
 Sir Andrew Duncan  
 Sir Edward Beacock  
 Lord Aynsley

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

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

The following were submitted -

1. Weekly Reports on Central Banks.
2. The Half-yearly Report of the Committee on the Permanent Control of Expenditure.

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

Staff Committee.

## A. Minute recommending -

- (1) Promotions under the 1936 Classification Scheme,
- (2) Special promotions.

B. Report

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

## B. Report -

- (1) On the Annual Reports upon the Staff.
- (2) Recommending personal salaries and gratuities.

## C. Report recommending amendments to the Pensions Regulations.

## D. Minute -

- (1) Recommending appointments to fill vacancies, etc.
- (2) Sundry further recommendations.

Committee on S<sup>r</sup> Lukis

## A. Report -

- (1) On the Annual Reports upon the Administrative and Clerical Staff.

- (2) Recommending promotions under the 1926 Classification Scheme, etc.

## B. Minute recommending increases of salary to certain Members of the Machine Staff

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 -

S. B. Roberts, a Grade II Class I Woman Clerk. age 64 years: service 22 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £105.12/- a year from the 18<sup>th</sup> February 1928 inclusive.

*[Signature]*  
Sect.

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

Present -

The Deputy Governor  
Lord S<sup>r</sup> Just  
Mr. Wigram  
Sir Andrew Duncan  
Sir Edward Pearce  
Lord Hymaley

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

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

23rd February 1938

Salvador  
1938

60

It was agreed to recommend to the Court of Directors.

1. That permission be granted to the Banco Central de Reserva de El Salvador to open an account in the Drawing Office.

2. That in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund -

(a) Pensions be granted to -

E. S. Jovy, an Auxiliary Woman Clerk: age 46 years: Service 18 years: £72 a year from the 1<sup>st</sup> March 1938 inclusive.

J. M. Baines, an Auxiliary Woman Clerk: age 45 years: Service 18 years: whose resignation was called for by the Court of the 1<sup>st</sup> February 1938 on account of unsatisfactory reports: £72 a year from the 1<sup>st</sup> March 1938 inclusive.

(b) An allowance be granted to -

Mrs. [redacted], Widow of [redacted] formerly an Assistant Foreman in the Bank Note Warehouse, S. Luk's Printing Works: £26 a year from the 4<sup>th</sup> February 1938 inclusive.

The Committee considered the case of those members of the Staff who have died in the service of the Bank since the 1<sup>st</sup> March 1937 and agreed to recommend to the Court of Directors that grants, amounting in the aggregate to £3,285-8-6, be made from the Superannuation Fund to dependants, as specified below, under the provisions adopted by the Court on the 9<sup>th</sup> December 1937 and the 1<sup>st</sup> February 1938, 1939 -

Mrs. [redacted] Widow of [redacted] deceased, formerly £166-10- a Permanent Woman Clerk.

Mrs. [redacted] Widow of [redacted] deceased, formerly an £282-2- Inspector, S. Luk's Printing Works.

Mrs. [redacted] Widow of [redacted] deceased, formerly an £140-0- Auxiliary Clerk.

Mrs. [redacted] Widow of [redacted] deceased, formerly a Grade II £657-10- Class 1 Clerk, Manchester Branch.

Mrs. [redacted] Widow of [redacted] deceased, formerly £244-9- a Compositor, S. Luk's Printing Works.

Mrs. [redacted] Daughter of [redacted] (1938) deceased, formerly an £200-0- Auxiliary Woman Clerk.

Mrs. [redacted] Widow of [redacted] deceased, formerly a Machinist £302-18- S. Luk's Printing Works.

Mrs. [redacted] Widow of [redacted] deceased, formerly a £173-0- House Porter,

Nov. [redacted]



22nd February 1935

Mr [redacted]

Widow of [redacted], deceased.

£120--

formerly an Auxiliary Clerk.

Mr [redacted]

Widow of [redacted], deceased, formerly  
Assistant Foreman, Bank Note Warehouse,

St Lukes Printing Works.

£338--

1845.  
CT 50 04

The Deputy Governor acquainted the Committee that the estimated profits for the half-year ending the 28th February amounted to £361,000, after allowing for a sum recoverable in respect of income tax overpaid and providing for the National Defence Contribution, for the annual payment to the Trustees of the Superannuation Fund and for a dividend of 6 per cent.

CT 69 10  
02

A sum of approximately £6,000 would be required to write off the amounts expended during the half-year on mechanisation equipment, on the coal-firing plant at St Lukes Printing Works and on the new pavilion at the Reckhampton Sports Ground. There was thus a disposable surplus of some £355,000, which it is proposed should be set aside as follows:-

CT 64 1828

1. To provide for the extra annual payments to the Superannuation Fund in respect of past services of the Staff following on the Court's decision regarding grants in certain circumstances to dependants of members of the Staff and of Pensioners.

£ 75,000

CT 69 01 1850

2. To make further provision for the cost of rebuilding, making the total sum so set aside

£5,082,000 [See Minute of 29.9.37]

£232,000

CT 69 07 1870

1885

CT 69 02

3. Towards making provision for Grand Premiers and for the extension of the Club Premises in Lokenhouse Yard.

Say £40/50,000.

Wednesday, the 2<sup>nd</sup> March 1938.

Present-

The Governor  
The Deputy Governor  
Mr Wingham  
Sir Andrew Duncan  
Sir Edward Beacock  
Lord Hymley

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

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

The following were submitted:-

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

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

- (a) concerning an application from the Agent of the Liverpool Branch for permission to vacate the Branch residence.
- (b) concerning the granting of a compassionate allowance for a further period to Mrs [redacted], Wife of [redacted], formerly a [redacted] who was dismissed from the service on the 16<sup>th</sup> September 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 Superannuation Fund to A. J. Patterson, an Auxiliary Woman Clerk, age 49 years, Service 21 years - £26 a year from the 1<sup>st</sup> April 1938 inclusive.

It was agreed that an appeal on behalf of the National Council of Girls' Clubs be declined.

The Governor acquainted the Committee of the following matters:-

1. In connection with the Bank's 250<sup>th</sup> anniversary, a suggestion had been put forward that an authoritative and comprehensive history of the Bank from 1694 to 1914 should be compiled. It was also suggested that, if possible, the services of J. H. Clapham, who retires from the Chair of Economic History in Cambridge University at the end of the present academic year, should be engaged at a fee commensurate with the work involved. The proposals would necessitate  
free

CT 146.01

2nd March 1938.

free access being given to all available records.

Although the proposed history would be written with a view to publication, it would be understood that it might be necessary to withhold for some time that part dealing with, say, the twenty years prior to 1914, or alternatively to make the published history of that period less detailed than the body of the work.

The Committee approved the proposals in principle and agreed that Professor Clapham should be approached forthwith.

LC97  
CT 95.01

2. Arrangements were being made for the gold content of bars held by the Bank to be expressed in fine instead of standard ounces.

Special consideration would have to be given to gold held for the Issue Department in view of the reference to standard ounces in the Statutes governing its valuation.

LC86  
CT 74

3. During the past three years, general annoyance had been caused abroad by Dr. Eisinger's articles published in the "Financial News". In particular, complaints, both formal and informal, had been received here from the Central Banks of France, Germany, Italy, the Netherlands and Switzerland.

In view of the effect these articles have upon our relations with these countries, the Governor proposes as a first step to discuss the position with General Daumay, a director of Financial News Ltd.

LC87  
CT 32

4. Professor J. E. Gregory had recently gone to India as Economic Adviser to the Central Government. In agreement with the Governor of the Reserve Bank, the Bank of England were prepared to respond, within limits that Professor Gregory himself regards as proper, to any requests he may make for information or other assistance.

CT 100.03 LC48

(14)

5. With reference to Minutes of the 22nd December 1937 and earlier, the question of the managerial posts in the B.I.S. had been examined by an informal Committee of the Governors during the February meetings. The conclusion reached by this



2nd March 1938

committee had been unsatisfactory, the French and Germans having eventually declined to permit any change in the designation or status of the General Manager and Assistant General Manager, notwithstanding their apparent willingness in December.

The reason for their attitude was to be found in the political basis of the B.I.S. which made it likely that any such change would have to be postponed until there should be a formal ending of the liability of Germany to pay reparations. In the meantime, however, it might be possible in the case of a new appointment to agree upon some reduction of the salary attaching to the particular post.

+75

CT 70.04

+ CT 3.

6. He had been approached by His Majesty's Government regarding the membership of a Royal Commission which was shortly to be appointed to consider the question of closer co-operation or association between Southern Rhodesia, Northern Rhodesia and Nyasaland, and had submitted the name of Mr. Ashley Cooper. He laid before the Committee a confidential letter which he had received in this connection from the Secretary of State for Dominion Affairs emphasising the importance attached by the Government to the work of the Commission and the need for a Member with special financial and economic knowledge who was also familiar with problems of transport and communications.

On the strength of this letter Mr. Ashley Cooper had consented to serve: he had been told that he might call upon the Bank for any assistance which it was within their power to provide.

CT 39.03 +76

CT 16 +77

7. With reference to Minutes of the 29<sup>th</sup> September 1937 and earlier, he laid before the Committee the Deputy Governor's letter of the 1<sup>st</sup> March written, in agreement with the Treasury, in reply to an enquiry from Rogers as to the Bank's wishes regarding his stay in China.

The question had now arisen as to the advisability of sending someone to Japan, it being understood that such a visit would be welcomed by the British Ambassador.

CT 189 +78

+79

CT 171

8. With reference to Minutes of the 12<sup>th</sup> January and earlier, it was in his view essential that a successor be appointed to Sir Charles Bruce-Gardner as Industrial Adviser to the Bank and Managing Director of the Securities Management Trust. So far as the Bankers' Industrial Development Company Ltd. was concerned, Sir Nigel Campbell was insistent upon the need for an expert adviser.

The Governor asked that names might be

Submitted

2nd March 1938.

submitted for consideration at the next Meeting of the Committee.

H.C. 55

CT 189

9. He laid before the Committee a note of his conversation with Sir Charles Bruce-Saunders on the 18th January and it was agreed that consideration of this question be deferred.

H.C. 57  
Office File  
P66

10. Under the arrangement sanctioned by the Court of the 8th November 1934, Mr J. A. Osborne had the option of returning to the Bank within or at the expiration of a period of five years. There was every reason to believe that Mr Osborne would exercise this option in the coming Autumn.

H.C. 55  
CT 70 03

11. The Committee considered the question of having in reserve the names of one or more candidates for the Directorship.

Wednesday, the 9th March 1938.

Present-

The Governor.  
The Deputy Governor  
Lord S. J. Lush.  
Mr Whigham  
Sir Josiah Stamp.  
Sir Andrew Duncan  
Sir Edward Beacock.  
Lord Hymnley

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

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

The Weekly Reports on Central Banks were submitted.

A Minute of the Staff Committee with recommendations regarding an election of Male Clerk was submitted and referred 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-

B. N. Ruddock, an Auxiliary Clerk: age 65 years on the 6th April 1938: Service 22 years: £198 a year from the 1st April 1938 inclusive.

V. C. Sprance, a Grade I Division 2 Woman Clerk: age 50 years

9<sup>th</sup> March 1938

66

M.A. Spence,

on the 10<sup>th</sup> April 1938. Service 23 years. £150 a year from the 11<sup>th</sup> April 1938 inclusive.

at Grade II Class 1 Woman Clerk age 50 years on the 10<sup>th</sup> April 1938 inclusive. Service 21 years. £120 a year from the 11<sup>th</sup> April 1938 inclusive.

A.M. Yeates,

an Auxiliary Woman Clerk age 48 years. Service 19 years. £76 a year from the 12<sup>th</sup> April 1938 inclusive.

2.

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

The Committee considered the case of [redacted] formerly an Assistant in the Service of the Bank, whose name was removed from the list of Clerks on the [redacted] on account of ill-health.

[redacted] is now a candidate for election into the [redacted] and it was agreed to recommend to the Court of Directors that a special donation of £105 be made to the Hospital with a view to securing votes on [redacted] behalf at the forthcoming election.

With reference to Minutes of the 2<sup>nd</sup> March and earlier, the Governor proposes that an ex-gratia payment be made to Sir Charles Bruce-Sadler in connection with the termination of his engagement as Industrial Adviser to the Bank and Managing Director of the S.M.T.

CT 171  
CT 189

The Committee considered names for the Directors for the year ensuing and agreed that the following Report be submitted to the Court of Directors:-

"The Committee report with regret that they have received an intimation from Mr Bunbury that, for reasons of health, he does not wish his name to be put forward for re-election to the Court of Directors in April next. In those circumstances the Committee recommend to the Court of Directors that an invitation be extended to Mr C. J. Cobbold to allow his name to be submitted to the Proprietors in due course to fill the vacancy thus caused."

See  
Secretary's  
Director's  
File 478  
SEC 1.01

CT 70.03

and  
copy



Wednesday, the 16<sup>th</sup> March 1938

Present-

The Governor  
The Deputy Governor  
Mr. Sturges  
Lord Craigmuir  
Sir Josiah Stamp  
Sir Andrew Duncan  
Lord Lyndley

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

It was agreed that no alterations 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. Half-yearly Accounts of St. Luke's Printing Works and of the Works Department.
2. Annual Reports of the Clerks' Guarantee Fund, the Samaritan Fund and the Special Pensions Reserve Fund.
3. A letter from Sir Alan Anderson requesting permission to join the Boards of the Peninsular and Oriental Steam Navigation Company and of the British India Steam Navigation Company Limited.

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> April next of 16 per cent. less Income Tax.

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. B. H. Saunders, Assistant Principal, Transfer by Deed Office No. 2; age 51 years: Service 33 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £458.7/- a year from the 10<sup>th</sup> June 1938 inclusive.

16<sup>th</sup> March 1938

CT 29

~~100/62~~

The Governor acquainted the Committee that an unofficial enquiry had been received from [redacted] as to whether, in the event of emergency, we would be prepared to undertake the custody of all their gold and securities. He proposed that the Bank should agree to do so if the space available is sufficient.

CT 70 03

The Secretary's  
Direction File

SEC.1-01 1938

Sec 7

With reference to the Minutes of the 9<sup>th</sup> March, the Committee again considered names for the Director for the year ensuing.

Monday, the 21<sup>st</sup> March 1938

Present:-

The Governor  
The Deputy Governor  
Lord S. J. J.  
Mr. Wigham  
Lord Cairn  
Sir Josiah Stamp  
Sir Andrew Duncan  
Lord Altrincham

The Secretary's  
Direction File

SEC.1-01 1938

CT 70

CT 70.03

The Governor referred to the agreement entered into by the Members of the Court of Directors on the 17<sup>th</sup> March that formal invitations be issued on the 24<sup>th</sup> March to Sir O. S. Mander and Mr. C. J. Cobbold to allow their names to be submitted to the Signatories on the 6<sup>th</sup> April for election to the Court of Directors. At present the only resignation before the Court was that of Mr. Gurnbury and he asked the Committee to consider the basis on which election should be made of a second name.

After discussion it was agreed that the Deputy Governor should approach the three Directors who are junior in the order of election (excluding Mr. John Martin, who is absent abroad) and obtain their agreement to the choice being made by lot from among their number, on the understanding that the one chosen would be invited to fill the first vacancy for an ordinary, as distinct from that for an Executive, Director and that in the interim he would be asked to accept the freedom of the Director's luncheon room.

It was further agreed that, with the approval of the Director concerned, the Bank would allow it to be known that his resignation was for the time being only and had been voluntarily tendered in order to facilitate the immediate election of an additional Executive Director.

Wednesday, the 23<sup>rd</sup> March 1928

Present:-

The Governor  
The Deputy Governor  
Lord S. Just  
Mr. Wingham  
Lord Craigmore  
Sir Josiah Stamp  
Sir Andrew Duncan  
Lord Hymans

The draft Minutes of the Meetings of the 16<sup>th</sup> and 21<sup>st</sup> March were read and agreed.

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

The following were submitted:-

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

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

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

(a) A pension be granted to-

A. B. W. Beaden, a compositor at S. Luke's Printing Works: age 59 years: service 23 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £14. 6. 4 a year from the 2<sup>nd</sup> April 1928 inclusive.

(b) An allowance be granted to-

Mrs. [redacted], Widow of [redacted], a pensioner, formerly a compositor at S. Luke's Printing Works: £26 a year from the 3<sup>rd</sup> December 1927 inclusive.

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 21<sup>st</sup> March.

That the Voting take place at the Court on the 7<sup>th</sup> April.

That Directors who so desire be allowed to record their votes after making their declarations of Office on Wednesday, the 6<sup>th</sup> April.



23<sup>rd</sup> March 1938.That the votes be counted after Court on the 7<sup>th</sup> April

It was further agreed to recommend to the Court of directors that the Standing Committee be appointed on Thursday, the 14<sup>th</sup> April.

The Governor acquainted the Committee of the following matters -

ET 16 ~~1494~~

1. With reference to Minutes of the 2<sup>nd</sup> March regarding the suggestion that a representative of the Bank should visit Japan, he had learned from Whitehall that in their view such a visit would be inopportune at the present time. He had therefore agreed that the question should remain in abeyance.

~~1494~~

ET 124

2. He laid before the Committee his letter of the 18<sup>th</sup> March to D'Schacht regarding the position of the Banque des Pays de l'Europe Centrale in the light of recent happenings in Austria.

~~1486~~

ET 74

3. With reference to the Minute of the 2<sup>nd</sup> March, he had spoken to General Dauray regarding D'Binzig's articles in the Financial News: subsequently M. Brendan Bracken, chairman of Financial News Ltd had called to see him. He laid before the Committee notes of this interview and of a later talk between the deputy Governor and General Dauray.

See

Wednesday, the 30<sup>th</sup> March 1938.

### Present

The Governor

The Deputy Governor

Lord S. Just

Mr Whigham

Lord Craigsmyle

Sir Andrew Duncan

Sir Edward Peacock

Lord Hymnley

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

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

The following were submitted -

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

It was agreed to recommend to the Court of directors -

(1) That

30<sup>th</sup> March 1938.

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

E. E. Murrell, an Auxiliary Woman Clerk: age 50 years on the 22<sup>nd</sup> April 1938: service 21 years: £8 1s a year from the 23<sup>rd</sup> April 1938 inclusive.

(2) That the Agent at the Liverpool Branch be authorised to make a donation of £21 to the fund being raised to defray the expenses of the Royal Lancashire Agricultural Society's Show to be held this year at Liverpool.

Following on the invitations extended to Sir O. E. Niemeyer and Mr<sup>rs</sup> C. S. Cobbold, advisors to the Governors, to allow their names to be submitted to the Proprietors for election to the Court on the 6<sup>th</sup> April next, it was agreed to recommend to the Court of Directors that they be allowed to retire from the service of the Bank as from the evening of the 5<sup>th</sup> April 1938 on the understanding embodied in their respective letters of resignation, dated the 21<sup>st</sup> March 1938 in each case, the form of which had been agreed by Messrs. Freshfields, Leese and Munns.

It was further agreed to recommend that grants be made from the Special Pensions Reserve Fund, established under Order of Court of the 6<sup>th</sup> December 1928, as follows:-

(a) To Sir O. E. Niemeyer: the sum of £3,883-9-7

(b) To Mr<sup>rs</sup> C. S. Cobbold: the sum of £4,392-11-4,

being the amounts which at the rate of £400 per annum would have been set aside on their behalf to the 23<sup>rd</sup> November 1943 and the 23<sup>rd</sup> February 1945 - the dates upon which their present appointments would respectively have expired - together with interest thereon at the rate of 2% per annum to the 5<sup>th</sup> April 1938, the date of retirement.

The Committee also agreed that, should provision be made hereafter for the granting of retiring allowances to Members of the Court whose exclusive services are retained by the Bank, that part of the amount receivable under the above recommendation which is in respect of the period after the 6<sup>th</sup> April next shall be borne in mind in assessing any sums which might be payable either to Sir O. E. Niemeyer or Mr<sup>rs</sup> C. S. Cobbold under any such provision.

30<sup>th</sup> March 1938

CT 189 +C-58

CT 192 +H-61 (m)

CT 171 +F-78

CT 176 +C-37

With reference to Minutes of the 2<sup>nd</sup> March and earlier, the Governor asked the Committee again to consider the question of the appointment of a successor to Sir Charles Bruce-Sardner, having regard to the wisdom of withdrawing a first-class man from industry at the present time when there was no particular technical work here on which he could be fully employed. The position was further complicated by the uncertainty as to the future of the S.I.D. after 1940 and the possibility that Sir Charles Bruce-Sardner might not be free to devote the requisite time to the affairs of Armelongs and of the new Jarrow Steel Company.

After discussion, it was agreed that in all the circumstances the search for an Industrial Adviser should be actively pursued.


 Sent

### Present

The Governor  
The Deputy Governor  
Lord S'Just  
Mr Whigham  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Mynaley.

Wednesday, the 6<sup>th</sup> April 1938.

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

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

The Weekly Reports on Central Banks were submitted.

The Regulations affecting the General Conduct of Business at the Head Office and Branches and those relating to the Internal Administration of the Bank were 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 -

Thomas Watts, a Temporary Oddman : age 65 years on the 3<sup>rd</sup> April 1938.  
Service 18 years : £37.8.8 a year from the 1<sup>st</sup> April 1938.  
inclusive.

2. That permission be granted to M<sup>r</sup> Hanbury-Williams to join the Board of the S.A. Agricola Industriale per la Produzione Italiana di Cellulosa.



1<sup>st</sup> April 1938  
 CT 69-02/1000  
 1870

Following upon the acquisition by Sunbury Offices Ltd., on behalf of the Bank, of a 99 years' building lease of Nos 1 and 2, Johnhouse Buildings for the purpose of extending the accommodation of the Bank of England Club, it was agreed to recommend to the Court of Directors that, in accordance with a request received from Sunbury Offices Ltd., the Special Committee on Branch Premises appointed by the Court of the 21<sup>st</sup> October 1937 be requested to advise the Court of Directors, through the Committee of Treasury, and to implement decisions of the Court, in regard to all necessary arrangements in connection with the rebuilding or extension of the existing Club premises.

The Special Committee to act in collaboration with Sunbury Offices Ltd. as regards these arrangements.

1859  
 CT 57 01  
 T Office File  
 P66

With reference to the Minutes of the 2<sup>nd</sup> March and earlier, the Deputy Governor acquainted the Committee that, in agreement with the Governor of the Bank of Canada, Mr. Osborne proposes to place his resignation from the Deputy Governorship before the Board at their Meeting in May and to return to work here in September or October next. The probability of a General Election in Canada in 1939 had prompted him to resign this year rather than to wait until November 1939, the end of the period of five years to which his appointment was limited: this period could not be extended save under the authority of an Order in Council.

1871  
 CT 81  
 CT 26

The Governor acquainted the Committee that, in the course of the Bank's management of the Exchange Equalisation Account, it was necessary from time to time that currency accounts should be opened with other Central Banks. Although in this regard the Bank were acting in the capacity of agents of H.M.S., the accounts stood in the sole name of the Bank; in the circumstances, however, the Governor does not propose to seek the authority of the Court for opening such accounts.

Wm.  
 Baily 20/4

Members of the  
Committee of Treasury  
for the year 1938/9.

(Elected 1<sup>st</sup> April 1938)

The Governor  
The Deputy Governor

Lord S. /ust  
Mr Whigham  
Mr Gladstone

Sir Josiah Stamp<sup>\*</sup>  
Sir Andrew Duncan  
Sir Edward Peacock

Lord Hyndley

<sup>\*</sup> granted a leave of absence May 1938: assumed title of Lord Stamp of Northlands June 1938

Wednesday, the 13<sup>th</sup> April 1938.

Present

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Gladstone  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock

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

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, in accordance with the scale and under the  
provisions of the Trust Deed of the Superannuation Fund;  
Pensions be granted to—

W. R. Belcher, a Grade II Class 2 Clerk at the Law Courts Branch: age 51  
years: Service 12 years: who, in the opinion of the Bank  
Medical Officer, is unfit for further service: £82 a year  
from the 1<sup>st</sup> July 1938 inclusive.

S. E. Burnside, (17<sup>th</sup>) a Charwoman at the Liverpool Branch: age 60 years: service  
37 years: who, in the opinion of the Agent, is unsuitable for  
further service: £30 2/- a year from the 1<sup>st</sup> May 1938  
inclusive.

Barbara

13<sup>th</sup> April 1938

Barbara Reid (4<sup>th</sup>), a Charwoman at the Bristol Branch - age 57 years. Service 16 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £26 a year from the 15<sup>th</sup> April 1938 inclusive.

Allowances to be granted to -

Mrs [redacted], Widow of [redacted], a pensioner, formerly a 2<sup>nd</sup> class Clerk in the Dividend Pay Office: £75 a year from the 27<sup>th</sup> March 1938 inclusive.

Mrs [redacted] Widow of [redacted], formerly Deputy Foreman, Dividend Room, S. Luke's Printing Works: £26 a year from the 19<sup>th</sup> March 1938 inclusive, together with a grant of £155, as sole dependant of her husband.

2. That the Agent at the Manchester Branch be authorised to participate to the extent of £100 in a guarantee fund for the Manchester Historical Pageant to be held in June and July this year.

3. That the following Committee, etc., be appointed for the current year, viz.,

Committee on Advances and Discounts.

Mr. Marks  
Mr. Hambro  
Mr. Hambury-Williams  
Sir Otto Niemeyer.

Staff Committee.

Mr. Holland-Hartley.  
Mr. Lubbock.  
Mr. Mori.  
Mr. Bernard.  
Mr. Hambury-Williams.  
Mr. John Hartley.  
Sir Otto Niemeyer.  
Mr. Colbold.

Committee on S. Luke's

Mr. Whitworth.  
Mr. Holland-Hartley.  
Mr. Bernard.  
Mr. Hambury-Williams.  
Mr. Colbold.

Audit Committee.

Mr. Kisson.  
Mr. Cooper.  
Sir Otto Niemeyer.  
Mr. Colbold.



13<sup>th</sup> April 1938

76

Committee to consider the Securities of certain Funds.

Mr. Wingham  
Mr. Hambro  
Mr. Colbold

Committee on the Permanent Control of Expenditure.

Lord Hindley  
Lord Craigmyle  
Mr. Holland-Martin  
Sir Otto Niemeyer.

Special Committee on the Rebuilding of the Bank.

Mr. Booth  
Mr. Bladstone  
Mr. Holland-Martin  
Mr. Weir

Special Committee on Branch Business, etc.

Mr. Kelson  
Mr. Holland-Martin  
Mr. Bernard.

Visits to the Branches.

Manchester and Liverpool.

Mr. Bladstone  
Sir Otto Niemeyer.

Birmingham.

Sir Robert Kindersley  
Mr. Colbold

Newcastle.

Lord Craigmyle  
Mr. Colbold

Leeds and Hull.

Mr. Marks.  
Mr. John Martin.

Bristol and Plymouth.

Mr. Hambro  
Lawcourts  
Mr. John Martin.

I. That Mr. E. J. Hambury be paid special remuneration at the rate of £3,500 a year from the 1<sup>st</sup> March to the 6<sup>th</sup> April 1938 inclusive, in respect of his services as an Executive Director for that period.

II. That Mr. S. Holland-Martin, Sir O. B. Niemeyer and Mr. C. J. Colbold be appointed Executive Directors for the current year;  
and

III. That the following proposals be adopted for the payment of special remuneration, in addition to their normal fees, to Members of the

Board

13<sup>th</sup> April 1938.

Court, whose exclusive services are engaged by the Court -

(a) Mr G.S. Carrington, the Deputy Governor:

to be paid at the rate of £5,000 a year from the 1<sup>st</sup> March 1938 inclusive.

(b) Mr E. Holland-Martin,

to be paid at the rate of £4,500 a year from the 1<sup>st</sup> March 1938 inclusive.

(c) Sir O.E. Neumayer.

to be paid at the rate of £6,500 a year from the 1<sup>st</sup> April 1938 inclusive.

(d) Mr C.J. Colford:

to be paid at the rate of £3,500 a year from the 1<sup>st</sup> April 1938 inclusive.

~~1270~~  
 CT 68  
 CT 69.07

5. (a) That the Hull Branch be closed on such date as may be found convenient and that the disposal of the premises be left in the hands of the Governors

(b) That a new Branch be opened at Southampton and that the Special Committee on Branch Premises appointed by the Court of the 21<sup>st</sup> October 1937 be asked to advise the Court as early as possible through the Committee of Treasury regarding the necessary arrangements for the acquisition of a suitable site and for the construction of Branch Premises.

~~16878~~  
 CT 100.02 (7)

Basle. The Governor acquainted the Committee that no business of particular interest had been transacted at the April Meeting of the Board.

At the Governors' Meeting held on the previous day, a discussion took place on the position arising from the absorption of Austria into the German Reich and the consequent addition to the shares held by the Reichsbank of those hitherto held by the Austrian National Bank, making the Reichsbank a larger holder than any other of the founder Banks.

144.  
 24/4/38

Wednesday, the 20<sup>th</sup> April 1928.

Present-

The Governor  
Lord S. Just  
Mr. Whigham  
Sir Andrew Duncan  
Sir Edward Pearce

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

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, under the provisions of the Order of Court of the 15<sup>th</sup> December 1928, a grant of £1,000 be made from the Special Pensions Reserve Fund to Mr. J. G. Gurney in respect of the period during which he occupied the post of an adviser to the Governors.

The Governor acquainted the Committee of the following matters -

- ~~1247~~  
~~1248~~  
1244
1. With reference to the Minute of the 16<sup>th</sup> November 1927 regarding the formation of a company - Cordillera Investments Limited - to take over and liquidate the assets and liabilities of Frederick Hurth and Co. - Old Firm, he referred to the partial guaranteed gain by two of the former partners, Mr. Wallers and Mr. Heinertzhagen, who had been acting as Directors of the new company since its formation.

The position was due to be reviewed as from the 31<sup>st</sup> December 1927 and showed that the outstanding advance from the Bank to the Company had been reduced to about £615,000. The whole of this amount had been provided for in the Bank's accounts but the remaining assets were of doubtful value.

It was agreed that, in view of the financial position of the two Directors concerned, they should be released from the terms of their guarantees on the understanding that they should, at the Bank's option, continue their work for the company until the process of liquidation had been completed.

(2) With



20<sup>th</sup> April 1938 ~~1793~~

CT 3.

(2) With reference to the Minute of the 2<sup>nd</sup> March regarding the assistance which the Bank had agreed to give to Mr Ashley Cooper in connection with his membership of the Rhodesia-Nyasaland Royal Commission, it had now been arranged that two members of the Staff should accompany Mr Cooper for this purpose. The Governor proposed that the Bank should bear the cost of their salaries while they are so engaged and, should it appear necessary, of their travelling and subsistence expenses also.

144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
841  
842  
843  
844  
845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
856  
857  
858  
859  
860  
861  
862  
863  
864  
865  
866  
867  
868  
869  
870  
871  
872  
873  
874  
875  
876  
877  
878  
879  
880  
881  
882  
883  
884  
885  
886  
887  
888  
889  
890  
891  
892  
893  
894  
895  
896  
897  
898  
899  
900  
901  
902  
903  
904  
905  
906  
907  
908  
909  
910  
911  
912  
913  
914  
915  
916  
917  
918  
919  
920  
921  
922  
923  
924  
925  
926  
927  
928  
929  
930  
931  
932  
933  
934  
935  
936  
937  
938  
939  
940  
941  
942  
943  
944  
945  
946  
947  
948  
949  
950  
951  
952  
953  
954  
955  
956  
957  
958  
959  
960  
961  
962  
963  
964  
965  
966  
967  
968  
969  
970  
971  
972  
973  
974  
975  
976  
977  
978  
979  
980  
981  
982  
983  
984  
985  
986  
987  
988  
989  
990  
991  
992  
993  
994  
995  
996  
997  
998  
999  
1000

Wednesday, the 27<sup>th</sup> April 1938.

Present:-

The Governor  
Mr Whigham  
Mr Gladstone  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hymelley

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

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

The following were submitted:-

1. Weekly Reports on Central Banks.
2. Monthly Dominion Letter.

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-

W.J. Cottrell, a Warehouseman at St. Luke's Printing Works: Age 60 years: Service 40 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £155 1s. 6d. a year from the 28<sup>th</sup> May 1938 inclusive.

2. That permission be granted to Mr. Kitson to join the Board of the Ford Motor Company (Belgium) SA.

The Governor acquainted the Committee of the following matters:-

1. With reference to the Minute of the 2<sup>nd</sup> March regarding a proposal that Professor Clapham should be asked to

1793

CT 146.01

27<sup>th</sup> April 1938

80

write a comprehensive history of the Bank, an arrangement had now been made with Professor Clapham that he should devote approximately half his time for this purpose, commencing in 1939, at a fee of £500 per annum. The copyright of the work would be the property of the Bank.

CT 161

~~795~~

2.

He read a confidential letter of the 25<sup>th</sup> April which he had addressed to the Chairman of the Committee of London Clearing Bankers, the President of the British Bankers' Association and to the Chairman of the Accepting Houses Committee regarding credits which it is believed are being sought in the London Market to facilitate the sale of oil from the expropriated oilfields in Mexico.

Secy

Wednesday, the 6<sup>th</sup> May 1938

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

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 March.

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. Staff Committee -
  - (a) Quarterly Report as to wages, pensions, etc.
  - (b) Minute recommending appointments, etc.
3. The Accounts of the Superannuation Fund for the year ended the 28<sup>th</sup> February 1938.

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

Present -  
The Governor  
The Deputy Governor  
Mr Wingham  
Mr Gladstone  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hyndley

1<sup>st</sup> May 1938

Fund to -

M. N. Griester, a Grade II Class 1 Woman Clerk: age 36 years  
 service 18 years: who, in the opinion of the Bank  
 Medical Officer, is unfit for further service: £81 a  
 year from the 1<sup>st</sup> June 1938 inclusive.

M. N. Salmon, an Auxiliary Woman Clerk: age 50 years on the  
 27<sup>th</sup> May 1938: service 21 years: £84 a year from the  
 28<sup>th</sup> May 1938 inclusive.

Winifred Thomas, an Auxiliary Woman Clerk: age 50 years on the  
 1<sup>st</sup> June 1938: service 19 years: £76 a year from the  
 2<sup>nd</sup> June 1938 inclusive.

2. That Mr. Hambro be appointed a Member of the Audit  
 Committee in the room of Mr. Astley Cooper, who has expressed a wish  
 to be relieved of this duty.

The Governor acquainted the Committee of the  
 following matters -

CT 50.08

~~10065~~

1. Messrs Deloitte had completed their Audit  
 of the Bank's accounts for the half-year ended the 28<sup>th</sup> February  
 last and he laid before the Committee copies of the Certificates,  
 dated the 2<sup>nd</sup> May, which had been appended to the Balance  
 Sheets of the Banking and Issue Departments.

CT 95

~~10509~~~~1897~~

2. With reference to the Minutes of the 15<sup>th</sup>  
 June 1937 and earlier, he laid before the Committee his letter  
 to the Treasury of the 19<sup>th</sup> April and their reply of the 29<sup>th</sup>, agreeing  
 that the Bankers be informed that objection is no longer taken  
 in principle to advances against gold and to forward dealings  
 in gold.

CT 188

~~1292~~

CT 171

~~1037~~

3. In connection with the construction of new  
 steel works at Blith Vale, Richard Thomas and Co Ltd. had recently  
 made application to Lloyds Bank, their sole Bankers, for an  
 immediate advance to enable the work to be maintained. It was  
 estimated that the completion of these works might require a  
 sum of from £6 to £7 million over and above the amounts  
 raised in 1937.

Lloyds Bank were prepared to advance  
 only sums necessary for ordinary business requirements for which



14<sup>th</sup> May 1938.

reasonable security could sooner or later be provided. The Governor had therefore authorised an advance of £400,000 to the Securities Management Trust for payment to Lloyds Bank to enable that Bank at their discretion, and nominally on their own account, to place the Company in a position to pay <sup>contractors</sup> wages, and to meet contractors' bills due at the end of April. Messrs Rothschilds, through whom the Definitive Issue of £7 million had been made in 1937, had agreed to participate in this advance to the extent of £100,000.

The Governor had further arranged with Messrs Rothschilds for a full inquiry to be made with a view to the reorganization of the whole position and in this connection laid before the Committee his letter of the 30<sup>th</sup> April to Mr J. E. James of the Newcastle Steel Corporation and Mr James' reply of the 2<sup>nd</sup> May.

Wednesday, the 11<sup>th</sup> May 1938.

Present

The Deputy Governor  
Mr Whigham  
Mr Gladstone  
Sir Josiah Stamp  
Sir Edward Peacock  
Lord Hyndley

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

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

The Weekly Reports on Central Banks were submitted.

ex. 69 of 1938

A Report of the Special Committee on Branch Premises, etc., regarding a proposed site for the new Branch at Southampton was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors.

1. That in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund -

(a) Pensions be granted to -

A. V. Alexander, the Deputy Chief of Establishments: age 54 years: Service 36 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £1,465: 15: 4 a year from the 6<sup>th</sup> August 1938 inclusive.

D. J. Yonge, Deputy Principal of the Consoils Office: age 64 years: Service 45 years: £636: 16: - a year from the 1<sup>st</sup> September 1938 inclusive.

J. A. Redley

11<sup>th</sup> May 1938

La. Ridley, an Auxiliary Clerk age 62 years: Service 19 years who, in the opinion of the Bank Medical Officer, is unfit for further service £171 a year from the 22<sup>nd</sup> September 1938 inclusive

(b) An allowance be granted to-

Mrs. [redacted] widow of [redacted] a Pensioner, formerly Deputy Principal, Dividend Pay Office: £85 a year from the 23<sup>rd</sup> March 1938 inclusive.

2. That, in response to an appeal by the Boy Scouts Association, a donation of £1,000 be made to the Boy Scouts Fund.

*107*

### Present-

The Governor  
The Deputy Governor  
Mr. Gladstone  
Sir Josiah Stamp  
Sir Andrew Duncan  
Sir Edward Beacock  
Lord Ryndley

Wednesday, the 18<sup>th</sup> May 1938.

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

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

The following were submitted:

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

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

1. The Quarterly Report of the Audit Committee on Audits taken by the Audit Department, etc.
2. Staff Committee -
  - (a) Quarterly Report upon the examination of Principals of the various Offices in the Accountants, Cashiers, and Secretary's Departments and upon "overs" and "shorts" in Cash, etc.
  - (b) Minute recommending appointments, etc.
  - (c) Report recommending that [redacted], a Temporary Clerk, be appointed an Auxiliary Clerk.
  - (d) Report recommending that the Agent at the Bristol Branch be allowed to vacate his Branch residence.

18<sup>th</sup> May 1935

84

It was agreed to recommend to the Board of Directors-

1. That Sir O.E. Noymer be appointed a Representative Governor, on the part of the Bank, of the Central Foundation Schools of London for a period of three years in the room of H<sup>r</sup> A.C. Gladstone, who desires to relinquish the office.
2. That a donation of £250 be made to the Harkham Colliery Disaster Fund.
3. That a sum of £25 be placed at the disposal of the Agent of the Hull Branch in connection with the appeal for a new Fracture Clinic at the Hull Royal Infirmary.

The Governor acquainted the Committee of the following matters:-

1252

1. He had been asked whether he would support, and seek the support of the clearing Banks for, an appeal by Oxford University for a sum of £225,000 required mainly in regard to the development of research work.

As certain of the Banks are still making yearly payments under agreements in connection with the appeal for the Bodleian Library, and our last subscription was made only a year ago, the Governor proposes to reply that in his view a further appeal to the Banks at the present time would not be well received.

1239  
1244  
CT 95

2. With reference to the Minutes of the 13<sup>th</sup> October 1934 and earlier, he laid before the Committee his letter to the Treasury of the 3<sup>rd</sup> May regarding the sale of Sovereigns in the Market by the Bank for account of their Dominion Clients.

1457  
CT 401

3. With reference to the Minutes of the 13<sup>th</sup> October 1934 and earlier, the facilities for the granting of a credit to [redacted] in connection with [redacted] had been withdrawn following upon the recent issue of a £1 million loan by [redacted] on the London Market.

1846  
CT 192 62

4. With reference to the Minutes of the 11<sup>th</sup> May 1934 and earlier, he laid before the Committee a Note dated the 17<sup>th</sup> May regarding negotiations between Bonarville and the International Paper Company for the purchase of the equity in the International Paper and Paper Company of Newfoundland.

The



18<sup>th</sup> May 1928

The Committee concurred in the Governor's suggestion that if Mr Drax Taylor were appointed to the Board of the parent Bowater Company until such time as that Company were able to purchase the Bank's holding of Preference Shares the Bank would be prepared to vest in Mr Drax Taylor any voting power which might come to be exercisable by the holder of these Shares.

CT 188

1292

1637

CT 171

5. With reference to the Minute of the 4<sup>th</sup> May regarding the advance to the Securities Management Trust in connection with the new Steel Works of Richard Thomas and Co Ltd at Blith Vale, the examination by Mr James into the affairs of the Company was still proceeding.

If the position were to be held pending the completion of the examination, further monies would have to be found to meet contractors' bills, the amount necessary for the end of May being at present estimated at from £1/600,000 for which no adequate security was thought to be available.

The Committee agreed that in case of need the Bank would advance the amount thus required through the Securities Management Trust.

CT 189 1655

CT 176 1778

6. He laid before the Committee a note of his recent talk with Sir Nigel Campbell concerning the position of the B.L.D., particularly in relation to Sir Nigel Campbell's Directorships of Iron and Steel Companies. The immediate difficulty was that in the circumstances it was not desirable for Sir Nigel Campbell to represent the B.L.D. on the Board of the new Larrow Steel Company, and he therefore proposed to try through Sir Nigel Campbell to obtain the services of Mr D.A. Stirling.

CT 189.

The Governor asked the Committee to consider before their next Meeting questions regarding the future management of the B.L.D. and the life of the Company.

Wednesday, the 25<sup>th</sup> May, 1938

Present:-

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.

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 on the discount business of the Bank for the month of April and on Advances granted under paragraph 13 section (4) of the "Internal Regulations and Special Advances."

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

- (1) A Minute of the Committee on Advances and Discounts recommending the continuance to [redacted] of facilities in connection with the repayment of Advances, &c.
- (2) A request from Lord Hyndley that he be allowed to join the Board of the Jaffa-Menthyr Steam Coal Co. Ltd., and of Guéret, Llewellyn & Merrett, Ltd.

It was agreed to recommend to the Court of Directors -

- (1) That permission be granted to [redacted] to open an account in the Drawing Office.
- (2) That in accordance with the scale and under the provisions of the Trust Deed of the Superannuation Fund -

(a) Pensions

25<sup>th</sup> May, 1938.

(a) Pensions be granted to:-

- C. D. Taylor, Assistant Principal of the Dividend  
Pays Loans Office: age 58 years: service  
40 years: £564: 11: 8 a year from  
the 1<sup>st</sup> September 1938 inclusive.
- F. G. Peters, an Inspector at St. Luke's Printing Works:  
age 66 years: service 41 years:  
£173: 5: 4 a year from the 17<sup>th</sup> July  
1938 inclusive.
- W. C. J. Barnes, a Stoker at St. Luke's Printing Works:  
age 67 years: service 19 years: who, in  
the opinion of the Bank Medical Officer,  
is unfit for further service: £51: 7: 8  
a year from the 4<sup>th</sup> June 1938 inclusive.
- E. M. Wickar, an Auxiliary Woman Clerk: age 50  
years on the 11<sup>th</sup> June 1938: service 20 years:  
£80 a year from the 12<sup>th</sup> June 1938 inclusive.
- Miriam Millar, an Auxiliary Woman Clerk: age 50  
years on the 18<sup>th</sup> June 1938: service 19  
years: £76 a year from the 19<sup>th</sup> June  
1938 inclusive.

(b) An allowance be granted to:-

Mrs. [redacted], widow of [redacted],  
formerly a Compositor at St. Luke's  
Printing Works: £26 a year from the  
30<sup>th</sup> April 1938<sup>meanwhile</sup>, together with a grant  
of £241: 16: as sole dependent of  
her husband.

1876  
CT 192.02

With reference to the Minute of the 18<sup>th</sup>  
May concerning negotiations between Bowaters  
and the International Paper Company for the  
purchase of the equity in the International  
Power & Paper Company of Newfoundland, the

Secretary



25<sup>th</sup> May.  
1938.

Deputy Governor acquainted the Committee that the Bank's suggestion regarding the appointment of Mr. Frater Taylor to the Board of the parent Bowater Company had not been accepted.

If, however, Lloyds Bank are to see their way clear to advance to the Bowater interests the sum necessary to allow them to purchase this equity, some alteration in the voting rights attaching to the preference shares of the Newfoundland Company would appear to be inevitable.

The Bank have, therefore, on the advice of Mr. Frater Taylor, expressed their willingness in due course to vote for resolutions which would have the effect of extending the non-cumulative feature attaching to the preference shares for a period of two years from the 1<sup>st</sup> January 1939, on the understanding that the period of default would be six months instead of twelve as at present.

The Deputy Governor laid before the Committee a letter of the 25<sup>th</sup> May which he had written to Lloyds Bank in this connection.

*Done*  
1938

Wednesday, the 1<sup>st</sup> June, 1938

Present:—

The Deputy Governor  
Sir Josiah Stamp,  
Sir Andrew Duncan,  
Sir Edward Peacock.

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

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

The following were submitted—

- (1) Weekly Reports on Central Banks.
- (2) Monthly letter to Dominion Central Banks.

+631  
CT 138

Under Orders of Court of the 8<sup>th</sup> July 1937 and the 16<sup>th</sup> December 1937, sums of £500 were paid to Messrs Freshfields, Deese & Munro for the half years ended the 31<sup>st</sup> March 1937 and the 30<sup>th</sup> September 1937 over and above the amount of their legal charges according to the usual scale owing to the demands made by the Bank on the tune of certain Partners.

It was agreed to recommend to the Court of Directors that a similar payment of £500 be made for the half year ended the 31<sup>st</sup> March 1938.

It was also agreed that this question should be further considered when the account for the half-year ending the 30<sup>th</sup> September next shall have been rendered.

It was further agreed to recommend to the Court of Directors—

- (1) That an allowance be granted exceptionally under the provisions of the Trust Deed of the Superannuation Fund to—

Mrs. [redacted] widow of [redacted] formerly a Compositor at St. Dunstons Printing Works: £26 a year from the 13<sup>th</sup> May 1938 inclusive.

- (2) That



1st June, 1938

L256  
CT67.02

(2) 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.

L256  
CT67.02

(3) That as regards the Women's Section -

- (a) The Bank should again pay to the Men's Section the expenses of upkeep of the Women's ground, calculated as heretofore on the actual labour involved;
- (b) A grant be made of a sum equal to 100% of the annual subscriptions of the members;
- (c) The Bank should pay the amount of the Steward's house allowance from the commencement of the Club's financial year to the date when he enters into occupation of his cottage, which it is anticipated will be ready in the near future.

L276  
CT60.06

The Committee considered and approved in principle a note of the 30<sup>th</sup> May regarding a fresh offer of pensions on voluntary retirement to certain members of the Male Staff with a view to a reduction in the numbers of those recruited between the years 1919 and 1928.

CT138  
L292  
L257  
CT171

With reference to the Minutes of the 18<sup>th</sup> May and earlier concerning the new Steel Works of Richard Thomas & Co. Ltd. at Ebbw Vale, the Deputy Governor reported that the Bank had made a further advance to the Securities Management Trust of a sum of £500,000 to be dealt with in the same manner as the original advance of £400,000.

A scheme was in course of preparation which, inter alia, will deal with the question of security for these amounts.

L257  
L257  
L257



Wednesday, the 8<sup>th</sup> June, 1938.

Present :-

The Deputy Governor,  
Mr Gladstone,  
Sir Andrew Duncan,  
Sir Edward Peacock,  
Lord Hyndley

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

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 under the terms of an Order of Court <sup>of the 9<sup>th</sup> April 1936</sup> and under the provisions of the Trust Deed of the Superannuation Fund to -

E. R. Belin, a Linotype Operator at St. Luke's  
Printing Works: age 64 years:  
service 20 years: £104 a year  
from the 9<sup>th</sup> July 1938 inclusive.

CT 69 10 ~~1356~~

Women's Sports Club.

With reference to the Minute of the 7<sup>th</sup> August 1935, it was now reported that the lodge at the Priory Lane entrance to the Women's Sports Club was being converted into a cottage for the use of a resident steward at a cost of £735.

~~1397~~  
CT 59

The Deputy Governor informed the Committee that an informal meeting was being held at the Mansion House on the 14<sup>th</sup> June to consider what steps should be taken to mark the occasion of the resignation of the Bishop of London, which it is understood will take place in September 1939. He had

been

8<sup>th</sup> June,  
1938.

been asked to attend this meeting and proposed in the meantime to obtain the views of the Chairmen of the Clearing Banks as to their willingness to support any appropriate scheme which might be formulated.

10<sup>th</sup>  
#47 Sec 1

Wednesday, the 15<sup>th</sup> June 1938.

Present:-

The Deputy Governor  
Mr Gladstone  
Sir Andrew Duncan  
Sir Edward Leacock  
Lord Apsley.

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

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

C.H. Clift, an Auxiliary Woman Clerk age 50 years on the 1<sup>st</sup> July 1938. Service 19 years & 1/2 a year from the 1<sup>st</sup> July 1938 inclusive.

2. The following be appointed to serve on the Advisory Council of Directors and Staff for the ensuing year:-

Sir Alan Anderson (Chairman)

Mr Gladstone

Mr Holland-Martin

Mr Hantony-Wickham

Mr Walker

Mr [redacted]

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

1. Staff Committee:-

(a) Minute recommending appointments, etc.

(b) Report recommending that the Agent at the Plymouth Branch and the Sub-Agent at the Birmingham Branch

be

15<sup>th</sup> June 1938.

ET 69.02.

- be allowed to vacate the Branch residences
2. Report of the Special Committee on Branch Premises, etc., concerning the appointment of an architect for the rebuilding of the Bank Luncheon Club.

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

1. With reference to the Minute of the 21<sup>st</sup> November 1937, the costs incurred by the Bank on behalf of the League Loans Committee during the half-year ended the 28<sup>th</sup> February last amounted to £2,202-11-6. Of this amount the actual out-of-pocket expenses were approximately £200.

2. With reference to the Minute of the 24<sup>th</sup> November 1937, he laid before the Committee a statement showing the cost of managing and the income derived from Central Banks' accounts during the half-year ended the 28<sup>th</sup> February last. The estimated profit on a costing basis amounted to £5,588-1-3 and this amount had accordingly been transferred to Suspenser Account & Central Banking.

3. With reference to the Minute of the 8<sup>th</sup> June regarding the forthcoming resignation of the Bishop of London, it had been provisionally agreed at the meeting held at the Mansion House that the presentation should take the form of a pecuniary gift to the Bishop. No public mention is to be made of this proposal for the time being.

Wednesday, the 22<sup>nd</sup> June 1938.

Present:-

The Deputy Governor  
Mr. Gladstone  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hyndley

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

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.



22 June 1938.

- of the Bank for International Settlements
- 3 A Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of May

177  
CT 113.02

A Minute of the Committee on Advances and Discounts with recommendations regarding Finance Bills was submitted and referred to the Court of Directors

CT 134  
+A 17

With reference to the Minute of the 20<sup>th</sup> April regarding the advance from the Bank to Cordillera Investments Limited, the Deputy Governor acquainted the Committee that, having regard to the deficiency which had already arisen in the liquidation of the Company's assets, he had arranged for a letter to be written to the Company proposing that as from the 1<sup>st</sup> January last the Bank should release them from the interest liability contained in the Agreement of the 12<sup>th</sup> April 1938.

1207

### Present

The Deputy Governor  
Mr Gladstone  
Sir Josiah Stamp  
Sir Ambrose Duncan  
Sir Edward Peacock  
Lord Hyndley

1246  
CT 50.08

Wednesday, the 29<sup>th</sup> June 1938.

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

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> June from Messrs Selous regarding the audit recently undertaken by them at the Manchester Branch

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

1. An allowance 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 Senior Clerk in the Securities Office £35 a year from the 17<sup>th</sup> April 1938 inclusive.

29 June 1938

~~1. E. 4. 1.~~  
~~CT 67.04~~

2. A grant of £50 be made to the Bank of England Musical Society in respect of the current year, over and above the grant of £100 sanctioned by the Court on the 15<sup>th</sup> July 1937 to cover the years 1937, 1938 and 1939.

The Deputy Governor acquainted the Committee of the following matters-

CT 180  
~~1. C. 29.~~

1. With reference to the Minutes of the 7<sup>th</sup> July 1937 and earlier, the balance of the Bank's holding of 4½% Cumulative Preference Stock of the United Dominion Trust had been sold.

~~1. B. 6. 6.~~  
~~CT 70.04 211~~

2. He laid before the Committee a letter of the 27<sup>th</sup> June from the Foreign Office, addressed to the Governor, asking that Sir O. B. Nismayer might sit as a permanent Member of an Interdepartmental Committee, which was being set up to co-ordinate the efforts of A. & S. to promote British political influence in South-Eastern Europe by economic measures. Sir O. B. Nismayer was willing to sit on the Committee and the Deputy Governor had conveyed the Bank's consent to the Foreign Office.

~~1. 7. 92.~~  
~~CT 188~~

3. With reference to the Minutes of the 1<sup>st</sup> June and earlier, arrangements for the provision of additional capital for Richard Thomas and Co. Ltd. were now practically complete: the scheme would be circulated to the Debenture holders and Shareholders in the course of the next few days, after which there would have to be an interval of some three weeks before their formal approval could be obtained. The references which had appeared in the Press were premature and unauthorised.

A pool had been formed whose members had agreed to subscribe the £6,000,000 required to complete the new works and to provide adequate working capital. Of this sum £5,500,000 would be provided against prior lien debenture stock of which the Bank would take £1,000,000 and the Big Six, say, £750,000 each; the further £500,000 would be subscribed by the Bank in the form of Ordinary shares for at least seven years and while any

29<sup>th</sup> June 1938

Prior loan debentures were outstanding, control of the company was to be vested in a committee composed of the Governor as Chairman, the Chairman of the company, a representative of the Steel Industry and a nominee of the existing debenture holders. There would also be changes in the Board which should ensure co-operation rather than competition within the Industry.

207

Present-

The Deputy Governor  
Mr. Stoddart  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Appley.

and agreed.

Wednesday, the 6<sup>th</sup> July 1938

The draft Minutes of the last Meeting were read

in the Bank Rate.

It was agreed that no alterations be recommended

The following were submitted-

1. Weekly Reports on Central Banks.
2. Monthly letter to Dominion Central Banks.
3. A letter of the 6<sup>th</sup> July from Messrs. Deloitte regarding an audit recently undertaken by them at the Bristol Branch.

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

(a) Pensions to be granted to-

- G. J. Baumbach, a Cashier, age 64 years: service 42 years: £563.11.- a year from the 1<sup>st</sup> October 1938 inclusive.
- W. A. Gibson, a Principal Typist, age 50 years on the 2<sup>nd</sup> August 1938: service 22 years: £205 a year from the 3<sup>rd</sup> August 1938 inclusive.
- H. E. N. Peters, Principal Woman Clerk, Liverpool Branch, age 50 years on the 24<sup>th</sup> July 1938 ~~inclusive~~: service 22 years: £170 a year from the 25<sup>th</sup> July 1938 inclusive.
- W. A. Grimley, an auxiliary Woman Clerk, age 45 years: service 19 years: £77.18.- a year from the 10<sup>th</sup> August 1938 inclusive.

(b) Allowances to be granted to-

- Mrs. [redacted] widow of [redacted] formerly an auxiliary clerk: £55 a year from the 21<sup>st</sup> June 1938 inclusive together with a grant of £10 a year dependent of her husband.

M.A.



6<sup>th</sup> July 1938

Mrs. [redacted] Widow of [redacted] formerly an Engineer at D. L. & Co's Printing Works £26 a year from the 22<sup>nd</sup> June 1938 inclusive together with a grant of £157 8- as sole dependant of her husband.

~~File 107~~  
Office file 155

It was agreed that Mrs. E. Jackson's engagement as an Advisor to the Governor, which was in the first place for a period of three years and from the 13<sup>th</sup> May 1935, should continue until such time as definite arrangements shall be made.

The Deputy Governor acquainted the Committee of the following matters -

~~File 107~~  
CT 125  
CT 192

1. With reference to Minutes of the 8<sup>th</sup> December 1937 and earlier concerning the Bank's controlling interest in Armstrong Whitworth Securities Co. and in the Lancashire Steel Corporation, the Bank had purchased four armstrongs £192,908 6% Income Debenture Stock of the Lancashire Steel and Iron Co Ltd which was now placed at the disposal of the Securities Management Trust.

CT 191  
~~File 107~~

The purchase had been made in order to facilitate the repayment of the Preference Shares of the Armstrong Company, as the Chairman had been advised that otherwise the Court would probably rule that the Company had insufficient cash for the protection of creditors. The sale in question was the most convenient method of obtaining funds.

It was thought undesirable that these debentures should be placed on the market in case a future sale of Lancashire Steel Corporation Ordinary Shares should thereby be complicated and the only other approved buyer was the Westminster Bank who already held the balance of the Issue. Moreover the Chairman of the Company had declined to sell to the Westminster Bank when they had sought to purchase these debentures while they were still in the hands of J and J Assets.

CT 188  
~~File 107~~  
CT 171

2. With reference to Minutes of the 29<sup>th</sup> June and earlier regarding Richard Thomas and Co Ltd, the Bank

6<sup>th</sup> July 1938.

had made an advance on the 1<sup>st</sup> July to the Securities Management Trust of £200,000 for payment to Lloyds Bank Ltd. in the same manner as the former sums advanced.

It was hoped that the Company's needs during the present month pending the approval of the Scheme by the Debenture-holders and Shareholders would be met by a further advance of some £200,000.

ET 45 L676

3

He laid before the Committee a letter of the 2<sup>nd</sup> July expressing the thanks of His Majesty's Treasury for the help rendered by the Bank during the negotiations with Germany which had led to the recent Anglo-German Transfer Agreement.

Wm.  
S. G. G. G.

Wednesday, the 13<sup>th</sup> July 1938.

Present

The Deputy Governor  
Mr. Gladstone.  
Sir Andrew Duncan  
Sir Edward Beacock.

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

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

The Weekly Reports on Central Banks were submitted.

A Report for the Half-Year ended the 30<sup>th</sup> June 1938 on the progress of mechanisation was laid before the Committee and consideration thereof was deferred until the next Meeting.

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

Staff Committee.

- (a) Minute recommending appointments, etc.
- (b) Report concerning C. E. Riley, formerly Sub-Agent at the Hull Branch.
- (c) Quarterly Report as to Wages, Pensions, etc.
- (d) Report recommending the election of Probationary Male Clerks to the Permanent Staff.

It was agreed to recommend to the Court of Directors -

(1) That

12<sup>th</sup> July 1927

(1) That an allowance be granted exceptionally 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 Dividend Office £75 a year from the 16<sup>th</sup> April 1928 inclusive.

(2) That the half-yearly Accounts be brought before the Court of Directors on Thursday, the 15<sup>th</sup> September.

That a General Court to consider of a Dividend (which will also be a half-yearly General Court) be held at the Bank on Thursday, the 22<sup>nd</sup> September, at 12 o'clock.

That with a view to the preparation of a Dividend the balance of the Stock Ledgers of Bank Stock be taken on the night of Thursday, the 22<sup>nd</sup> September, and that the dividend warrants be delivered on Wednesday, the 5<sup>th</sup> October.

The Deputy Governor acquainted the Committee of the following matters-

1270  
CT 68  
- CT 69.07

1. The purchase of the Southampton Site was now complete and a notice had been issued to the Press regarding the opening of the new Branch and the closing of the Branch at Hull. A letter had <sup>previously</sup> been addressed to all Customers of the Hull Branch informing them of the Bank's decision.

1276  
CT 39.

2. With reference to the Minutes of the 2<sup>nd</sup> March and earlier, Rogers had returned from Shanghai three weeks ago to ascertain the views of H.K. Government regarding a loan from this country to China. A loan on a commercial basis was obviously impracticable in the present circumstances and the question whether the Government should grant or guarantee a loan was still under discussion in Whitehall. Rogers' return to Shanghai might therefore be delayed for a week or so.

CT 168 1844  
1844  
CT 156

3. The British Council in conjunction with the Afro-American Institute were seeking to arrange for a goodwill visit to Brazil and Argentina by Lord Willingdon who had called here to see him regarding the project. He had told Lord Willingdon that in his view such a visit would be inopportune at the present time owing to the Brazilian default, and Lord Willingdon said that in the circumstances he would inform the Foreign Office



13<sup>th</sup> July 1938

that he was not prepared to go unless at their express wish.

The question had also been the subject of discussion between the President of the Council of Foreign Bondholders and the Foreign Secretary.

~~1.4.42~~  
ET 188

With reference to the Minutes of the 6<sup>th</sup> July and earlier, regarding the affairs of Richard Thomas and Co. Ltd, the question now arose as to remuneration for the work which Mr James had undertaken. Although other interests were involved, it was at the Bank's instigation that Mr James had been approached. The Deputy Governor sought the authority of the Committee to pay him a suitable fee.

After discussion it was agreed that the Deputy Governor be authorised to pay a sum not exceeding five thousand guineas.

Mr.  
Deputy Secy

Wednesday, the 20<sup>th</sup> July 1938

Present

The Deputy Governor

Mr Whigham

Mr Gladstone

Lord Hyndley

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

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

The following were submitted:-

1. The Weekly Reports on Central Banks.
2. Report on the Non-clerical Staff at the Head Office and Branches for the half-year ended the 30<sup>th</sup> June 1938.
3. The draft Minutes of the July Meeting of the Board of the Bank for International Settlements.

The Half-yearly Report on the progress of Mechanisation which was laid before the Committee at their last Meeting was accepted.

The Quarterly Report of the Audit Committee of Audits taken by the Audit Department was submitted and referred to the Court of Directors.

alt

20<sup>th</sup> July 1938

It was agreed to recommend to the Court of Directors -

1. That in response to an appeal a donation of £100 be made to the funds of Soc. H.
2. That, under the provisions of the Trust Deed of the Suppensionation Fund, pensions be granted to-

In accordance with the scale

Sertrude A. Cavell, an Inspector at St. Luke's Printing Works: age 60 years on the 18<sup>th</sup> August next. Service 21½ years: £54.5.8 a year from the 19<sup>th</sup> August next inclusive.

Under the terms of an Order of Court of the 9<sup>th</sup> April 1936

J. H. Hayman, a compositor at St. Luke's Printing Works: age 65 years: service 20 years: £81.9.6 a year from the 13<sup>th</sup> August next inclusive.

The Deputy Governor acquainted the Committee of the following matters -

~~13<sup>th</sup> July~~  
CT 188

1. With reference to the Minutes of the 13<sup>th</sup> July and earlier regarding the affairs of Richard Thomas and Co. Ltd., he had now had an opportunity of raising with Mr. James the question of some remuneration for the latter's services in connection with the investigation he had made into the Company's affairs. This aspect of the matter had obviously not occurred to Mr. James, who regarded the work done by him as a national duty for which he had not expected and indeed did not desire any remuneration. As a result of further discussion, however, Mr. James promised to think the matter over but in the circumstances, and in order to save Mr. James any embarrassment, the Deputy Governor had thought it well to send him a cheque for 2,500 quinnas.

CT 168  
18-1  
~~13<sup>th</sup> July~~  
CT 156

2. With reference to the Minutes of the 13<sup>th</sup> July regarding a visit to Brazil and Argentina by Lord Malmesbury, he had now learned that, in spite of the protests made both by the Bank and by the Council of Foreign Bondholders, it was probable that the visit would, nevertheless, take place. He read his letter of the 19<sup>th</sup> July to the Chancellor calling his attention to the treatment which the Council of Foreign Bondholders had

26<sup>th</sup> July 1938.

received from the Foreign Office in this matter.

102

ET 39.

~~76~~

3.

With reference to the Minutes of the 13<sup>th</sup> July and earlier, Rogers had now returned to Shanghai as A.M. Government had decided not to grant or guarantee a loan to the Chinese at the present time.

~~1340~~

ET 68.

4.

The Deputy Governor referred to a visit he had received from certain members of the Hull Corporation who had come to the Bank to state the Corporation's views regarding the closing of the Hull Branch. The Corporation apparently feared the effect of this action as regards the prestige of Hull and the opinion was expressed that it would emphasise the drift of industry to the South. He had explained the reasons which had actuated the Bank in making their decision but had promised that their representations should be carefully considered. He did not feel, however, that there was any justification for maintaining an expensive organisation in Hull in the present circumstances or for incurring the considerable expense of rebuilding which would be imperative if the Branch were retained. It was agreed that the Corporation should be informed officially of the reasons for the closing of the Branch and also that the Bank did not see their way to reverse their decision.

Wm. J. Deane

Wednesday, the 27<sup>th</sup> July 1938.

Present

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Gladstone  
Lord Stamp.  
Lord Aynley

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

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

The following were submitted -

1. Weekly Reports on Central Banks.
2. Monthly letter to Dominion Central Banks.
3. A Report of the Committee on Advances and Discounts on the discount business of the Bank for the month of June.

A



27<sup>th</sup> July 1928.

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

It was agreed to recommend to the Court of Directors that the regulations regarding the signing powers in respect of transfers of the undermentioned categories of stock pledged as security against advances in the Chief Cashier's Office be amended as follows -

Stocks inscribed elsewhere than in the Bank books.

The Assistant to the Chief Cashier to be added to the list of those having power to sign or accept transfers (with the restriction already applicable to the Assistant Chief Cashier).

Stocks registered elsewhere than in the Bank books

The Assistant to the Chief Cashier to have power to sign transfers vice the Chief Clerk of the Chief Cashier's Office,

and that the relative paragraphs in the Regulations affecting the General Conduct of Business at the Head Office and Branches be altered accordingly.

The Deputy Governor acquainted the Committee of the following matters -

1859  
CT 37.01 -  
Office File P66

1. With reference to the Minutes of the 6<sup>th</sup> April and earlier, regarding Mr. Osborn's resignation from the Deputy Governorship of the Bank of Canada, he now learned that Mr. Osborn hoped to arrive in this country about the 20<sup>th</sup> September. It was probable that on his return to the Bank he would be largely concerned in Canadian and United States affairs and for this reason he had suggested to Mr. Osborn that prior to his return to this country he should take an opportunity of paying visits to New York and Washington. Mr. Osborn had concurred in this suggestion and the visits would take place towards the end of August.

186  
CT 39.03.

2. He outlined the arrangements which had been made for Miss [redacted] & Shortland-Typist, to be seconded to assist Mr. Rogers in his work in China.

Wm. J. [redacted]

Wednesday, the 3<sup>rd</sup> August, 1938.

Present:-

The Deputy Governor,  
Mr. Whigham,  
Mr. Gladstone,  
Lord Hyndley

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

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 of the Committee on the Permanent Control of Expenditure.

The Quarterly Report of the Staff Committee upon the examination of Principals of the various Offices in the Accountants', Cashiers and Secretaries' Departments and upon Overs and Shorts in Cash etc, was submitted and referred to the Court of Directors.

The Deputy Governor acquainted the Committee of the following matters -

*Court papers:*  
11.8.38

1. An appeal for £200,000 by the Manchester Royal Infirmary would be brought before the Committee of Clearing Bankers at their Meeting on the 4<sup>th</sup> August. After discussion it was agreed that the Deputy Governor be authorised to promise a donation up to £250 or of a larger amount if such a course seemed to him desirable.

*170*  
*68*

2. With reference to the Minute of the 20<sup>th</sup> July, he read a letter from the Hull Corporation dated the 29<sup>th</sup> July from which it appeared that the explanation of the Bank's policy, given then in his letter of the 26<sup>th</sup> July, had been well received and that the reasons for the closing of the Hull Branch are now fully appreciated by the Corporation.

3. With



3<sup>rd</sup> August, 1938.+ 372  
CT 188

3. With reference to the Minutes of the 20<sup>th</sup> July and earlier regarding the payment of 2500 guineas to Mr. James as a gift in recognition of the services he had rendered in connection with the affairs of Richard Thomas & Co. Ltd., he proposed to inform Mr. James that in the circumstances the Bank would make themselves responsible for the Income Tax on this amount.

CT 168

+ 372

CT 156

4. With reference to the Minutes of the 20<sup>th</sup> July and earlier regarding a visit to Brazil by Lord Willingdon, he read a letter from the Chancellor dated the 2<sup>nd</sup> August from which it appeared that, as a result of the Bank's representations, the Chancellor had expressed his views to the Foreign Office as to the undesirability of this visit, but that his protest had been unavailing.

+ 372

CT 44

5. He read a letter from the Secretary of State for Air dated the 28<sup>th</sup> July expressing his thanks for the hoop which the Air Ministry had received from the Bank in arranging for certain payments to be made in the United States.

Wm.  
Deputy Secy

Wednesday, the 10<sup>th</sup> August, 1938.

CT 72

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

Wm.  
Deputy Secy



Thursday, the 18<sup>th</sup> August, 1938.

The Governor,  
Lord Hyndley,  
Mr Booth  
(as alternate to  
Mr Whigham)

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

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 -

Of Fawn White, Agent, Plymouth Branch:

age 59 years: service 40 years.

£1164 : 5 : 4 a year from  
the 17<sup>th</sup> November 1938 inclusive.

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

(a) Minute of the Staff Committee recommending appointments.

(b) Minute of the Staff Committee recommending the appointment of 14 Probationary Women Clerks to the Permanent Staff, &c.

Wm  
Deputy Secy

Wednesday, the 24<sup>th</sup> August 1938.

Present:

The Governor  
Mr Whigham  
Mr Stadsone  
Lord Asprey

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

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

The Weekly Reports on Central Banks were submitted.

Recommendations and Reports of the Staff Committee regarding -

1. The payment of gratuities to Clerks who pass certain examinations, and
  2. The custody of keys, and watch duties at the Country Branches,
- were submitted, and consideration thereof was deferred for a week.

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

W. J. Cherry, an Inspector at St. Luke's Printing Works: age 65 years on the 10<sup>th</sup> October next: Service 35 years: £150 9/- a year from the 11<sup>th</sup> October next inclusive.

The Governor acquainted the Committee of the following matters:-

£845  
CT 50.04

1. For the half-year ending the 31<sup>st</sup> August, it was estimated that there would be a profit of £467,000 after making provision for all charges and for a dividend of 6% less Income Tax.

A sum of approximately £8,000 would be required to write off the amounts expended during the half-

24<sup>th</sup> August 1938

108

year on Mechanisation Equipment, the new Pavilion at the Northampton Sports Ground and the Coal-Firing Plant at S. Duke's Printing Works. This would leave an estimated Surplus of £439,000 which it was proposed should be dealt with as follows, viz:-

To write down the cost of the following securities in each case to £100-

CT 193 ~~1958~~

Lancashire Industrial Silos

Co. Ltd 20,000 Preference

Shares of £1 each. 5% paid. £900.

CT 134 ~~1467~~

Interest in Cordillera

Investments Ltd. 115,851 say £ 117,000.

CT 69.07 ~~1770~~

CT 69.02 ~~1765~~

To make further provision for the cost of Branch Premises and the extensions to the Luncheon Club.

200,000

To Suspense Account No. 1.

say 122,000

£439,000

See his file  
P30

2. Mr. Clay's appointment as Advisor to the Governors was for a period of five years which ended on the 31<sup>st</sup> May last. It was hoped to make arrangements for a further term as soon as possible and meanwhile his salary was being continued at the rate of £4000 per annum.

~~1778~~

CT 38.01

3. The Bank had contributed £500 anonymously through Sir Robert Kindersley to the fund which was being raised on behalf of Sir George Brandenstein.

CT 41 ~~1650~~

CT 113.02 ~~1772~~

The Governor laid before the Committee-

(a) His letter of the 10<sup>th</sup> August to Sir J. J. J. regarding his resignation from the Presidency of the National Bank of Hungary.

(b) Correspondence with the Governor of the Bank of Ireland regarding an acceptance credit granted by that Bank in connection with Air Purchase Finance.

CT 45.01 ~~1846~~  
CT 45

(c) A letter of the 10<sup>th</sup> August from J. P. Morgan and Co. to Morgan Grenfell and Co. concerning the Anglo-German Transfer Agreement of the 1<sup>st</sup> July 1936.



Wednesday, the 31<sup>st</sup> August 1938

Present:-

The Governor  
Mr Wingham  
Lord Stamp  
Lord Huddley

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

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

The following were submitted:-

1. Weekly Reports on Central Banks.
2. Monthly 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 July and on advances granted under Paragraph 13 Section (b) of the Internal Regulations, and "Special Advances".

Recommendations and Reports of the Staff Committee regarding:-

1. the payment of gratuities to Clerks who pass certain examinations, and
2. the custody of keys and watch duties at the Country Branches,

which were submitted to the Committee at their last Meeting were further considered and referred to the Court of Directors.

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

1. A pension be granted to:-

R. L. Williams, Deputy Principal, Securities Office: age 58 years: service 40 years: £598: 19: 6 a year from the 1<sup>st</sup> December 1938 inclusive.

2. An allowance be granted to:-

Mr [redacted], Widow of [redacted], a Pensioner, formerly a House Porter at the Western Branch: £22 a year from the 3<sup>rd</sup> August 1938 inclusive.

With reference to the Minutes of the 24<sup>th</sup>

31<sup>st</sup> August 1938L846<sup>c</sup>  
CT 45-01 x CT 45

August, the Governor laid before the Committee his personal letter of that date to Mr. J. H. Lamont regarding the Anglo-German Transfer Agreement of the 1<sup>st</sup> July 1938.

L8701

CT 90-05

With reference to the article in "The Times" of the 11<sup>th</sup> August by Mr. R. J. Harrod putting forward "a plea for banking inflation", the Governor laid before the Committee a note by Mr. Clay dated the 26<sup>th</sup> August: a copy of the note had been sent to His Majesty's Treasury.

L897

CT 32

The Governor also laid before the Committee his personal and confidential letter of the 30<sup>th</sup> August to the Governor of the Reserve Bank of India in reply to a letter of the 15<sup>th</sup> August regarding the rupee exchange position.

Wednesday, the 7<sup>th</sup> September 1938.

Present:-

The Governor

The Deputy Governor

Mr. Whigham

Sir Andrew Duncan

Lord Aynley

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

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

The Weekly Reports on Central Banks were submitted.

CT 69 07 L8740

An Interim Report of the Special Committee on Branch Premises, etc., was submitted concerning

- (a) the appointment of an Architect in connection with the building programme for the Provincial Branches,
- (b) plans, etc., for the new Branch at Southampton,
- (c) the Manchester Branch,

and consideration was deferred until the next Meeting.

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-

Agnes

7<sup>th</sup> September 1938

Agnis Power, a Grade II Class 1 Woman Clerk : age 46 years :  
service 21 years : £112.14 - a year from the  
1<sup>st</sup> October 1938 inclusive.

2. That Mr. Henry Clays' appointment as an  
adviser to the Governors be continued for a further period of five  
years from the 1<sup>st</sup> June last inclusive on the same terms as those  
already existing.

The Governor acquainted the Committee of the  
following matters-

1. With reference to Minutes of the 20<sup>th</sup> October 1937  
and earlier, he drew attention to articles which had appeared  
in the 'News Chronicle' of the 1<sup>st</sup> September and in the 'Financial  
Times' of the 5<sup>th</sup> September regarding the profits of the Note Issue  
and the value of Securities held in the Issue Department.

In this connection, the Governor referred to  
the letter of the 30<sup>th</sup> May addressed by the Chancellor to the  
Bank.

2. He had received a letter from Deloitte's  
reporting that on the 31<sup>st</sup> August, in the course of their examination  
of Notes held in Store at the Head Office, they had found a bundle  
which purported to contain 500 Notes of £1000 each to be one  
Note short.

Investigations had been made at St. Lukes  
and in all the Offices concerned but no trace of the Note could be  
found nor could an explanation be given with any certainty  
as to how the loss had occurred.

With the approval of Deloitte's, the Note had  
been treated as issued and paid to the Banking Department  
against that Department's indemnity and the Bank's Auditors  
had been instructed to count all Notes in Store of £50 and  
upwards to determine whether any other Notes were missing  
from the higher denominations.

The Committee agreed that the matter be  
brought as soon as possible before the Audit Committee, who should  
be asked to report thereon to the Governors.

3. As part of the Bank's programme of measures



7<sup>th</sup> September 1938+63  
CT 84.02.

to be taken to prepare for the eventuality of war, it had been decided to increase the reserves of 10% and £1 Notes at the Bank's Branches and also to store a further reserve at Branches of the "Big Six" in certain provincial and suburban centres. The Governor laid before the Committee a Secret Note of the 6<sup>th</sup> September giving particulars of these arrangements.

+65  
CT 189

4. With reference to Minutes of the 18<sup>th</sup> May and earlier, regarding the management of the B.I.D., he proposes that the vacancy on the Board created by the retirement of Sir Charles Bruce-Gardner should be filled by Mr. May. It had further been arranged, in agreement with all concerned, that in due course Baron Schröder should resign and his place be taken by Mayor Sam.

+64  
CT 81  
CT 95

5. With reference to the Minute of the 27<sup>th</sup> May 1936, as to the position of Rothschilds vis-à-vis the Bank in connection with gold dealings, he proposes that, apart from the price fixing, the Bank should no longer deal exclusively with Rothschilds but should employ the services of Mocatta and Goldsmid at discretion and according to circumstances. This is no way implied dissatisfaction with the services most efficiently rendered by Rothschilds, but in the interests of efficiency an additional contact with the market was necessary.

Wednesday, the 14<sup>th</sup> September 1938.

Present

The Deputy Governor and agreed.  
Mr. Wingham  
Sir Andrew Duncan  
Lord Hymetley.

The draft Minutes of the last Meeting were 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 Accounts of S. L. & Co. Printing Works and of the Works Department.

A Minute of the Staff Committee recommending  
Appointments.

14<sup>th</sup> September 1938

appointments, etc., and a Report regarding [redacted] a Grade I Division I Clerk in the Accountants Department were submitted and referred to the Court of Directors.

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] formerly an Auxiliary Clerk: £55 a year from the 1<sup>st</sup> September 1938 inclusive, together with a grant of £150 as sole dependent of her husband.

1770  
258.  
CT 69.07

The Committee again considered the Interim Report dated the 5<sup>th</sup> September 1938 of the Special Committee on Branch Premises, etc., appointed by the Court of the 2<sup>nd</sup> October 1937, and agreed to recommend to the Court of Directors-

A. That the following proposals contained therein be adopted, viz:-

1. That Mr. Heal, R.A.S.E., be appointed as Architect for the Branch building programme on terms to be arranged;
2. That authority be given to build the Southampton Branch on the basis of designs prepared by Mr. Heal.

B. That the Special Committee be asked to proceed as soon as possible with arrangements for the rebuilding of the Manchester Branch in the light of the experience gained from the building operations undertaken at Southampton.

It was further agreed to recommend that it be left to the discretion of the Special Committee as to whether the alterations at this Branch should be carried out, as detailed in the Interim Report, at a cost not exceeding £1,500.

The Accounts of the Bank for the half-year ended the 31<sup>st</sup> August were examined 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 4½ per cent. less Income Tax.

The Deputy Governor acquainted the Committee of the following matters-

14<sup>th</sup> September 1938H53  
CT 189

1. With reference to Minutes of the 7<sup>th</sup> September and earlier, he laid before the Committee a letter of the 8<sup>th</sup> September to the Governor from Baron Schröder asking that his resignation from the Board of the B.S.D. might be placed before the Directors of that Company at their next Meeting.

L63  
CT 197

2. The question of Marine War Risks had lately been under consideration by Underwriters, and the Committee of Lloyd's had called a meeting for the 15<sup>th</sup> September to discuss the question: it appeared possible that it might then be decided to regard Marine War Risks as uninsurable.

The Bank had discussed this question with A.M. Treasury who were fully aware of the position.

+ Entry  
Office File  
Pob

3. With reference to Minutes of the 27<sup>th</sup> July and earlier, it was expected that Mr. Osborn would return to this country on the 19<sup>th</sup> September. The Deputy Governor proposes to make arrangements for Mr. Osborn to be appointed an Adviser to the Governor on terms which will be submitted later to the Committee.

Hon.  
Deputy Secy

Wednesday, the 27<sup>th</sup> September 1938.

Present-

The Deputy Governor  
Mr. Wingham  
Mr. Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hynodry

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

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 on the discount business of the Bank for the month of August.

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

(a) Pensions be granted to -

Phyllis Rose, a Grade II Class I Shorthand-Typist: age 36 years.



21<sup>st</sup> September 1938

years: service 15 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £66 a year from the 6<sup>th</sup> December 1938 inclusive.

W. R. Wilson,

an Oddman at the Birmingham Branch: age 52 years: service 25 years: who, in the opinion of the Agent, is unsuitable for further service: £109 16 8 a year from the 1<sup>st</sup> November 1938 inclusive.

(b) An allowance be granted to-

Mrs [redacted], Widow of [redacted], a Pensioner, formerly an Auxiliary Clerk: £60 a year from the 9<sup>th</sup> September 1938 inclusive.

147  
ET 68.

With reference to the Order of Court of the 14<sup>th</sup> April 1938 regarding visits of Directors to the Branches, it was agreed to recommend to the Court of Directors that, in view of the impending closing of the Hull Branch, no Directors' visit to that Branch be made during the current year.

1859  
ET 37-01  
+ Office F-8 866

With reference to the Order of Court of the 8<sup>th</sup> November 1936, it was agreed to recommend to the Court of Directors that Mr J. A. C. Osborne be appointed an "adviser to the Governors" as from the 1<sup>st</sup> September 1938 inclusive at a salary of £3,500 a year. The Regulations relating to Pensions and Death Benefits for the Permanent Rate Clerical Staff shall apply to Mr Osborne, and for the purpose of these Regulations his total service shall be reckoned as though he had remained throughout in the service of the Bank of England.

The Deputy Governor laid before the Committee a letter of the 12<sup>th</sup> September from the Governor of the Bank of Canada expressing deep appreciation of the services rendered by Mr Osborne as Deputy Governor of that Bank.

Home  
Deputy Secy

Wednesday, the 28<sup>th</sup> September 1938.

Present.

The Deputy Governor  
Mr. Whigham  
Mr. Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock.

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

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

The following were submitted:-

1. Weekly Reports on Central Banks
2. Monthly Dominion Letter.

*See File with  
first Minutes  
of 6.8.38*

A Minute of the Staff Committee regarding the pay of Members of the Staff, both Clerical and Non-clerical, who are already enrolled in the Defence Forces of the Country and of any Members who, with the Bank's permission, may join the Defence Forces, was submitted and referred to the Court of Directors. In this connection, it was agreed that the Chairman of the Staff Committee be asked to amend the wording of the Minute to cover the possibility of a revised scale of salaries or wages being introduced as a result of War-time legislation.

*Wm.  
Duffy Secy*

Monday, the 3<sup>rd</sup> October 1938.

Present.

The Deputy Governor  
Mr. Whigham  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hyndley.

~~167~~  
CT. 46

The Deputy Governor laid before the Committee a letter from the Chancellor of the Exchequer dated the 3<sup>rd</sup> October regarding arrangements for certain financial assistance which H. M. Government wish to render to the Czechoslovak Government to meet their urgent needs. The Committee agreed that, in response to the Chancellor's request and under the provisions referred to in his letter, the Bank should advance to the National Bank of Czechoslovakia for the account of the Czechoslovak Government such sums, up to £10 million in all, as may be agreed with the Treasury.

*Wm.  
Duffy Secy*

Wednesday, the 5<sup>th</sup> October 1938.

Present.

The Deputy Governor  
Mr Whigham  
Mr Staddon  
Lord Stamp.  
Sir Andrew Duncan  
Sir Edward Peacock.  
Lord Hyndley

*See File with  
Court Minutes  
of 6.10.38*

<sup>draft</sup>  
The Minutes of the Meetings of the 28<sup>th</sup> September and the 5<sup>th</sup> October were read and agreed.

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

The Weekly Reports on Central Banks were submitted.

A Minute of the Staff Committee recommending the withdrawal of the proposal contained in their Minute of the 27<sup>th</sup> September regarding payment of those Members of the Staff serving in His Majesty's Forces and the substitution thereof of an amended proposal, was submitted and referred to the Court of Directors.

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. B. Coates (Mrs), an Auxiliary Woman Clerk: age 49 years: service 19 years: £76 a year from the 1<sup>st</sup> November next inclusive.

Dorothy Rawlins, an Auxiliary Woman Clerk: age 50 years on the 2<sup>nd</sup> November next: service 19 years: £76 a year from the 2<sup>nd</sup> November next inclusive.

The Deputy Governor acquainted the Committee of the following matters-

~~16~~  
CT 84.05

1. With reference to the Minute of the 7<sup>th</sup> September regarding a Bank Note for £1000 which was missing at the time of the half-yearly Audit in August, he had now received a Report from the Audit Committee stating that, in their opinion, no additional safeguards in the present system of control are required. The Committee agreed that no further action was necessary.



5<sup>th</sup> October 1938

118

2. He had been asked to attend a Meeting at the Mansion House that afternoon to consider the launching of an appeal for funds for the relief of distress in Czechoslovakia. From inquiries he had made he did not think the response in the City to such an appeal would be very great in view of the immediate loan of £10,000,000 to that country which had already been arranged by H.M. Government.

CT 187  
165  
165  
CT 189

3. In connection with the construction of a new strip mill at Shotton, John Summers and Sons Ltd., who occupy an important position in the steel sheet trade, required additional finance to the extent of about £3,600,000. The Company had placed the contracts for the new machinery and were making their financial arrangements at the time when Richard Thomas and Company's difficulties were made public; in consequence it had been found impossible to obtain the necessary new money. The Company had undertaken the new construction at their works as an endeavour to bring themselves in line with up to date methods and the step had been taken with the approval of the British Iron and Steel Federation. At the instance of the Governor, the B.I.F. were now examining the position with the intention of obtaining the co-operation and support of certain other important steel concerns in the Midland area and would advise on the best method of obtaining the additional finance.

Although John Summers and Sons Ltd. must be held to have been improvident in entering into commitments before their financial arrangements were completed, he thought that, subject to suitable control being imposed, this was a case of sufficient national importance to justify the Bank in providing substantial assistance. The Committee concurred in this view.

Wm.  
Dale Secy

Wednesday, the 12<sup>th</sup> October 1938.

Present-

The Deputy Governor  
 Lord Stamp  
 Sir Andrew Duncan  
 Sir Edward Peacock  
 Lord Hymaley

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

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 donation of £1,000 be made in response to the Lord Mayor's appeal on behalf of refugees in Czechoslovakia.
2. That under the provisions of the Trust Deed of the Superannuation Fund-

(a) The following pensions be granted-

(1) In accordance with the scale-

- D.W. Amadon, a Grade I Division 2 Woman Clerk: Age 42 years: service 23 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £140-6- a year from the 1<sup>st</sup> November 1938 inclusive.
- A.G. Lawes, an Inspector at St Luke's Printing Works: age 65 years: service 21 years: £96-18- a year from the 26<sup>th</sup> November 1938 inclusive.
- J.W. James, a Compositor at St Luke's Printing Works: age 65 years: service 21 years: £85-12-8 a year from the 26<sup>th</sup> November 1938 inclusive.
- J.H. Pay, a Linotype operator at St Luke's Printing Works: age 65 years: service 31 years: £152-5- a year from the 26<sup>th</sup> November 1938 inclusive.
- A.B. Williams, a Linotype Operator at St Luke's Printing Works: age 66 years: service 31 years: £149-15-4 a year from the 26<sup>th</sup> November 1938 inclusive.

(2) Under the terms of an Order of Court of the 9<sup>th</sup> April 1936-

- 2.J. Simpson, a Linotype operator at St Luke's Printing Works: age 65 years: service 17 years: £82-17-8 a year from the 26<sup>th</sup> November 1938 inclusive.

12<sup>th</sup> October 1938

368 Appleby, a compositor at S. Lukis Printing Works age 61  
years: service 20 years: £82 6 8 a year from the  
26<sup>th</sup> November 1938 inclusive.

Frederick Simpson, a compositor at S. Lukis Printing Works age 62  
years: service 20 years: £81 9 11 a year from the  
26<sup>th</sup> November 1938 inclusive.

(b) An allowance to be granted in accordance with the scale to-  
Mrs. [redacted] Widow of [redacted], a pensioner, formerly  
an Inspector at S. Lukis Printing Works: £26 a  
year from the 8<sup>th</sup> September 1938 inclusive:  
together with a grant of £158 18 7 as sole  
dependant of her husband.

~~167~~  
CT 46

With reference to the Minute of the 3<sup>rd</sup> October  
as to the arrangements under which the Bank have agreed to  
make temporary advances to the National Bank of Czechoslovakia  
for the account of the Czechoslovak Government, the Deputy Governor  
informed the Committee that no amounts had so far been  
advanced.

from  
sub-committee

Wednesday, the 19<sup>th</sup> October 1938

Present:-

The Deputy Governor,  
Mr. Whigham,  
Mr. Gladstone,  
Lord Stamp,  
Sir Andrew Duncan,  
Sir Edward Barcock,  
Lord Wyndley.

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

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

It was agreed to recommend to the Court  
of Directors that under the provisions of the Trust  
Deed of the Superannuation Fund -

(a) a pension



17<sup>th</sup> October 1938 (a) a pension be granted in accordance with the scale to -

E. M. F. White, a Grade 1 Division 1 Clerk,  
in the Accountants Department: age 60  
years: service 35 years: £500 a year  
from the 21<sup>st</sup> February 1939 inclusive.

(b) a grant be made to -

Mrs. [redacted] Widow of [redacted]  
formerly Agent at the Law Courts  
Branch: £2,700, as sole dependent  
of her husband.

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

- (1) Minute of the Staff Committee recommending appointments, &c.
- (2) Report of the Staff Committee with recommendations concerning an offer of voluntary retirement with pension to certain Members of the Permanent Hall Clerical Staff.
- (3) Quarterly Report as to Wages, pensions, &c.
- (4) Quarterly Report of the Audit Committee.

The Deputy Governor acquainted the  
Committee of the following matters -

(1) With reference to the Minutes of the 12<sup>th</sup> October and earlier, he read his letter of the 17<sup>th</sup> October to the Governor of the National Bank of Czechoslovakia setting out the terms of the advance to that Bank which has been arranged at the instigation of H. M. Government.

(2) He had received a visit from Sir Frederick Sykes, who had recently become Chairman of the Royal Empire Society, and was now anxious to obtain the financial support of the Banks, particularly by means of guaranteed subscriptions over a number of years, so that the finances of

the

467  
CT 46

466  
Office File  
M. 162

19<sup>th</sup> October, 1938

the Society might be put on a more satisfactory basis. The Committee agreed that if there were general support for the scheme the Bank might, with advantage, take up a certain number of subscriptions

1884  
Office File P30

(3) Mr. Clay had received an invitation from the Principal of McGill University to give a series of lectures there on economic subjects early next year. The Deputy Governor felt that it would be desirable for Mr. Clay to take this opportunity of renewing old contacts and establishing fresh ones and that he should use the occasion to pay a visit also to New York. The Committee concurred and it was further agreed that Mrs. Clay should accompany her husband and that the expenses of the journey should be borne by the Bank.

127

Wednesday, the 26<sup>th</sup> October, 1938.

Present:-

The Governor,  
The Deputy Governor,  
Mr. Whigham,  
Mr. Gladstone,  
Lord Stamp,  
Sir Edward Peacock,  
Lord Hynedley.

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

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

The following were submitted -

1. Weekly Reports on Central Banks.
2. Report of the Committee on Advances & Discounts on the Discount business of the Bank for the month of September.

It was agreed to recommend to the Court of Directors that a pension be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 and under the provisions of the Trust Deed of the Superannuation Fund to -

John



26<sup>th</sup> October, 1938.

John Newton, a Grade 1 Division 1 Clerk in the Accountants' Department: age 54 years: Service 36 years: £414 a year from the 30<sup>th</sup> January 1939 inclusive.

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 of Directors that the Rt. Hon. Montagu Collet Norman, D.S.O., and Basil Gage Cattermole, 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.

The Governor acquainted the Committee of the following matters -

184.  
CT 81  
CT 95

(1) With reference to the Minute of the 7<sup>th</sup> September 1938, the Bank were making increasing use of the services of Mocatta & Goldsmid in connection with gold dealings and information. To facilitate the work and to ensure secrecy, he proposes that a private telephone line be installed between the Firm's offices and the Bank.

The Governor laid before the Committee a list of the direct lines already used by the Foreign Exchange Section.

187.  
CT 81

(2) Recent experience had shown that the existing arrangements of the Exchange Equalisation Account might not prove adequate to meet the immediate requirements of a crisis. The available resources need to be strengthened and more particularly redistributed.

The Bank are, of course, not free agents in this matter but are advising the Treasury

of



26<sup>th</sup> October,  
1938.

of the need, as a part of the Government's plans for defence and preparation, of some more effective protection for the assets of the accounts at home and for the maintenance of reserves abroad.

This may involve placing some limit to the freedom of movement which capital at present enjoys and taking steps to prevent foreign advances in this market being used as a weapon to attack sterling.

1698  
CT. 44

(3) An increasing number of American commercial Bankers, in the course of visits to this country, endeavour to obtain interviews with the Deputy Governor or himself. Compliance with such requests was difficult and embarrassing and he proposes that in future they be refused except where there is a personal introduction from the Federal Reserve Bank or some definite business question to be discussed.

per  
sic?

Wednesday, the 2<sup>nd</sup> November, 1938.

Present:-

The Governor,  
The Deputy Governor,  
Mr. Gladstone,  
Lord Stamp,  
Sir Andrew Duncan,  
Sir Edward Pearce,  
Lord Ryndley

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

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

The following were submitted:-

1. Weekly Reports on Central Banks.
2. Monthly letter to Dominion Central Banks.

A Report of the Staff Committee on the examination of Principals in the Accountants, Cashier's and Secretary's Departments and  
on

2<sup>nd</sup> November  
1938

on "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 under the provisions of the Trust Deed of the Superannuation Fund:

- (a) The following pensions be granted -  
(i) In accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 -

G. H. B. Train, an Assistant Principal in the Accountants' Department: age 57 years: service 39 years: £541:9: a year from the 1<sup>st</sup> March 1939 inclusive

- (ii) In accordance with the scale -

Honoria Doyle, an Auxiliary Woman Clerk: age 50 years on the 17<sup>th</sup> November 1938: service 19 years: £76 a year from the 18<sup>th</sup> November 1938 inclusive.  
N. J. Brickell, an Auxiliary Woman Clerk: age 48 years: service 19 years: £76 a year from the 1<sup>st</sup> December 1938 inclusive.

- (b) An allowance be granted in accordance with the scale to -

Mrs. [redacted], Widow of [redacted], formerly a Foreman at St. Luke's Printing Works: £26 a year from the 19<sup>th</sup> October 1938 inclusive, together with a grant of £40:3 as sole dependent of her husband.

2. That a donation of 100 guineas be made to the London Orphan School in response to a special appeal by the Earl of Bessborough, who is presiding at the Festival Dinner of the School on the 16<sup>th</sup> November, on the understanding that the Bank's name should not be disclosed.

With reference to the Minutes of the 13<sup>th</sup> April



2<sup>nd</sup> November  
1938  
ET 68 +770

April, the Committee agreed with the recommendation contained in a Note of the 31<sup>st</sup> October that the Hull Branch be closed on the 28<sup>th</sup> February 1939.

+770  
ET 69.11  
See a/c 10-11.38

The Committee considered a Note of the 31<sup>st</sup> October regarding the space available for storing the Bank's records and agreed in principle with the proposals for an extension of the Record Office at Rochampton. It was further agreed that, with the consent of the Chairman of the Special Committee on Branch Premises &c, his Committee be requested to undertake the necessary arrangements.

The Governor acquainted the Committee of the following matters -

+67  
ET 66  
ET 60.01

(1) He proposes that Advisers to the Governors be allowed to make deposits with the Bank Provident Society in accordance with the conditions of deposit and withdrawal applicable to Members of the Male Clerical Staff.

+665  
ET 50.08

(2) Messrs Selwicks had completed their examination of the Bank's Accounts for the half-year ended the 31<sup>st</sup> August last and he laid before the Committee copies of their Certificates dated the 27<sup>th</sup> October which had been appended to the Balance Sheets of the Banking and Issue Departments. The Certificates include statements that the figures in the Bank Return of the 31<sup>st</sup> August have been reconciled with those in the Balance Sheets.

See a/c 10-11.38

(3) He laid before the Committee a letter from Mr. Colin Campbell concerning a secret appeal for a memorial to the late Lord Snowden which was to be considered at the Bankers' Meeting on the 3<sup>rd</sup> November. The Committee agreed that the Bank would contribute up to a sum of £250.

(4) Negotiations



12<sup>th</sup> November

1938

L.S. 75

N/E

(4) Negotiations were recently nearing completion for the sale of a controlling interest in the London Merchant Bank to certain Jewish interests in Czechoslovakia. The arrangements had, however, broken down owing to the impossibility of transferring funds from Czechoslovakia in consequence of the recent imposition of strict exchange control.

136  
CT 39

(5) The Chinese Ambassador had recently approached His Majesty's Government with a suggestion that the British Eastern Banks might support the Chinese currency through subscription to an Exchange Fund to be operated by a Sino-British Committee.

Conversations had subsequently taken place between the Bank, the Hong Kong & Shanghai Banking Corporation and the Chartered Bank of India, Australia & China. On the 1<sup>st</sup> November a telegram was received in London from the Hong Kong & Shanghai Banking Corporation in Hong Kong advising that they were prepared to put up £500,000 if the Bank of China put up £3,000,000 and if the Bank of England would guarantee up to a further £2,500,000, i.e. making the total fund £6,000,000, while the profit or loss on the operations was to be divided in proportion to subscriptions. A further condition of this arrangement was that the Hong Kong & Shanghai Banking Corporation should have full discretionary power to operate the fund.

The Governor proposes to reply that the Bank could not agree to any such arrangement.

168  
CT 113.02

(6) Under the cheap money conditions which have prevailed over the past few years, many local authorities with or without specific Parliamentary powers for such borrowing, have been issuing bills the proceeds of which have in some instances been used to

finance

2<sup>nd</sup> November,  
1933.

finance capital expenditure. In recent years, the Bank have issued bills for the London County Council, Liverpool, Manchester and the Metropolitan Water Board: these are the only bills, with the exception of those issued by the Glasgow Corporation, which the Bank rediscount or accept as security from the Market.

The Clearing Banks recently decided not to accept Municipal bills as security from the Market unless they were taken by the Bank of England and in consequence a considerable difference has arisen in Market rates which in no way reflects the respective merits of the bills.

The Governor proposes to discuss at the Bankers' Meeting the anomalous position which has thus arisen.

*L. 100*  
CT 100

(1) With reference to the Minutes of the 20<sup>th</sup> October 1937 and earlier, he proposes that our sterling deposit with the Bank for International Settlements should be increased by a further £200,000, making £500,000 in all at a nominal rate of interest. Of this sum, £100,000 would be at 31 days' notice, £200,000 fixed for three months and £200,000 fixed for six months, on the understanding that the fixed deposits will be repaid at maturity, when consideration would be given to any request by the Bank for International Settlements for a new deposit.

These deposits were made at the request of the Bank for International Settlements who were in a position to put additional sterling resources to a normal Banking use.

1937



Wednesday, the 9<sup>th</sup> November, 1938.

Present:—

The Governor,  
Mr. Whigham,  
Mr. Gladstone,  
Lord Stamp,

Sir Andrew Duncan,

Sir Edmund Pearce,

Lord Hyndley.

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

Arising from the reading of the figures relating to Treasury Bills, the Committee discussed the state of the United Kingdom Balance of Payments on current account.

On the basis of the excess of imports for the first nine months of this year, it was evident that the net results for 1938 would be considerably worse than for 1937 when the Board of Trade estimates showed a net deficit of £52 million; it was also apparent that the Exchange Equalisation Account had suffered heavy losses of gold.

The Governor informed the Committee that he had frequently acquainted Whitehall of the dangers he saw in the present trend and had also represented his view that the burden of any ~~exchange~~ restrictions which it might prove advisable to adopt should not be borne solely by the City.

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

The Weekly Reports on Central Banks were submitted.

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

It was agreed to recommend to the Court of Directors—

1. That

1865  
CT 81  
CT 83



of the November,  
1938

(1) That [redacted] Principal of the Economics & Statistics Section, be appointed a Deputy Secretary with a salary of £2000 per annum.

(2) That the following donations be made -

(a) £250 in response to a secret appeal on behalf of a fund to be raised as a Memorial to the late Lord Snowden.

(b) 50 guineas a year for seven years in response to an appeal from Sir Frederick Sykes on behalf of the Royal Empire Society.

+ 270  
CT. 69. 11

(3) That, in view of the need of further accommodation for the storage of Bank records, the Special Committee on Branch Premises appointed by the Court of the 21<sup>st</sup> October 1937 be requested to advise the Court of Directors through the Committee of Treasury and to implement decisions of the Court in regard to an extension of the Record Office at Southampton. It was also agreed to recommend that in this connection Mr. H.R. Steele, F.R.S.B.A., be asked to prepare detailed plans and specifications and that tenders for the work be obtained.

CT 113. 02

+ 68

The Governor acquainted the Committee of the following matters -

1. With reference to the Minutes of the 12<sup>th</sup> November regarding Money Bills of Local Authorities, he hoped that arrangements might be made with the bankers to take the bills of their own clients, at rates approximating to current market rates provided that the bills were issued under special Parliamentary powers, and certain other conditions were fulfilled.

Failing agreement on these lines, it appeared that, if the Chancellor so required, it would be necessary for the Bank in one way or another to regulate the issue of these bills.

+ 275  
CT. 27

2. With reference to Minutes of the 12<sup>th</sup> August 1936 and earlier, it was becoming increasingly difficult

9<sup>th</sup> November  
1938

difficult to place the 5½% 5-year Promissory Notes of the U.S.S.R. issued in connection with the £10 million credit to finance purchases from the United Kingdom. The total amount of notes still to be placed is £6 million, £560,000 of which are expected to come forward during November. The Bills which were guaranteed by His Majesty's Government gave at the latest price a yield of £3:6:-% per annum against the yield of £2:17:8 % on 5% Conversion Stock taking the redemption date of that Stock as 1944.

The Governor proposes to discuss this question with the Chairman of the Clearing Bankers.

CT 188

1892

3. With reference to the Minute of the 29<sup>th</sup> June, he laid before the Committee ~~the Bank's~~ private and confidential letter of the 8<sup>th</sup> November to Mr. J.E. James expressing the views of the Governor, as Chairman of the Control Committee of Richard Thomas & Co. Ltd., as to certain urgent questions which, in his opinion, required the immediate consideration of the Board.

CT 187 165

CT 189 165

4. With reference to the Minute of the 5<sup>th</sup> October regarding the affairs of John Summers & Sons Ltd, he proposes that the Bank should, if need be, provide the whole of the money required, apart from that which will be procured by a Debenture Issue through the B.I.D; this may involve or sum up to £2 million.

On the question of control, the Governor referred to the Bank of England's moral and financial responsibility towards the Joint Stock Banks and others vis-à-vis Richard Thomas & Co. Ltd. To protect these interests and to ensure co-operation within the industry and with the British Iron & Steel Federation it would be necessary that the same degree of effective control should be exercised over the John Summers development as is exercised in the case of Richard Thomas & Co. Ltd.

5. With



9<sup>th</sup> November  
1938

CT 45 ~~1876~~

CT 113-03 ~~1875~~

5. With reference to the Minutes of the 3<sup>rd</sup> November 1937 as to the result of the arrangement made with Acceptors that they should take up at least 50% of their German Standstill Acceptances, he asked the Committee to consider the suggestion that the Acceptance Houses should be approached by the Bank with an offer to carry the remaining two-thirds of their German Standstill Acceptances, including re-availments. The amount involved is estimated as between £16 and £17 million, though it might be possible to reduce this figure, in agreement with the Germans, by such amount as is represented by bona fide commercial transactions. The offer would remain open for a stated period, after which the Discount Office would refuse to discount any German Standstill Bills.

The Governor intends to discuss the question with the Chairman of the Committee on Advances and Discounts.

CT 134

~~187~~  
~~(1875)~~

b. With reference to the Secret Minutes of the 2<sup>nd</sup> November and earlier, concerning the British Overseas Bank Ltd., the position at the moment was that Williams & Leaons Bank had agreed to put up £500,000 and the Union Bank of Scotland £250,000, but the Prudential refused to participate. It therefore appeared at the moment that unless the Banks and the Market were to be told that the British Overseas Bank was in an insolvent position the Bank of England would have to find the remaining £1 million or £1¼ million of "Deferred Deposits".

The Committee agreed that in case of need the Bank would put up the balance of money required.

Dec 7



Wednesday, the 16<sup>th</sup> November, 1938.

Present:—

The Governor,

Mr. Whigham,

Mr. Gladstone,

Lord Stamp

Sir Andrew Duncan,

Sir Edward Peacock,

Lord Hyndley

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

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

The Weekly Reports on Central Banks were submitted.

Recommendations of the Staff Committee regarding—

1. appointments, &c.,
2. Probationary Male Clerks appointed on the 21<sup>st</sup> October, 1935,
3. Amended forms of Report for the Permanent Male Clerical Staff,
4. Salaries of Agents and Sub-Agents at the Branches,

were submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors—

1. That, under the provisions of the Trust Deed of the Superannuation Fund, the following pensions be granted—

(a) In accordance with the terms of an Order of Court of the 20<sup>th</sup> October, 1938—

Alexander Goudge, a Grade I Division 1 Clerk in the accountants' Department; age 55 years; Service 37 years; £434:15/- a year from the 9<sup>th</sup> January 1939 inclusive.

J. D. B. Roberts, a Grade II Class 2 Clerk in the accountants' Department; age 38 years; Service 15 years; £151:13:4 a year from the 18<sup>th</sup> November 1938 inclusive.

(b) In accordance with the scale—

H. A. Page,

a Cashier; age 59 years; Service 40 years; £633:1:8 a year from the 7<sup>th</sup> February 1939 inclusive.

2. That

16<sup>th</sup> November,  
1938.

2. That a donation of £50 be made to the City of London Branch of the British Red Cross Society.

3. That, if the City Authorities request the Bank to allow the construction of entrances to the Bank Station subway on either side of the corner of Threadneedle Street and Princes Street, the Bank should agree to give up the space required provided that the work is carried out at once in accordance with the plans prepared by Sir Herbert Baker.

It was further agreed that a report should be submitted to the Court of Directors in due course as to any arrangements which may be made in this connection with the City Authorities.

The Governor acquainted the Committee of the following matters -

LG 10  
CT 57  
The (1) Lord Bearsted had called to see him on the 15<sup>th</sup> November regarding an appeal on behalf of the Jews of Germany which had since been published in "The Times". The <sup>attitude</sup> ~~attitude~~ of His Majesty's Government was not yet known but Lord Bearsted had asked the Governor for a letter of commendation similar to that which he hoped to obtain from the Churches in this country. The possibility of a subscription from the Bank had also been mentioned.

The Governor considered the giving of any such letter to be out of the question but proposed that the Bank should make a subscription if assured that such a course would meet with approval in Whitehall. The Committee agreed that, if such approval were forthcoming, the Bank would subscribe up to £1000, the precise amount to be left to the Governor's discretion after consultation with the Bankers.

(2) With



16<sup>th</sup> November, 1938

CT 45

+876

CT 45.02

+878

CT 113.03

(2) With reference to the Minute of the 9<sup>th</sup> November as to a suggestion for dealing with the German Standstill Acceptances in this Market, he laid before the Committee a letter of the 31<sup>st</sup> October to the Chairman of the Joint Committee of British Short-term Creditors from the Chairman of the Accepting Houses Committee representing that the existing International Standstill Agreement should not be renewed beyond the 31<sup>st</sup> May next and that the question of British short-term credits to Germany should subsequently be regulated under a separate Anglo-German Agreement.

+889

CT 35

(3) He laid before the Committee his cable of the 15<sup>th</sup> November to the Governor of the Reserve Bank of New Zealand, and the reply of the 16<sup>th</sup> November, regarding the adverse movements of the sterling funds of the Reserve Bank.

+89

CT 134

(4) With reference to the Minutes of the 9<sup>th</sup> November and earlier, it had now been agreed that a deferred deposit of £2 million be made with the British Overseas Bank Ltd, of which the Bank of England would put up £1 million, Williams & Son £750,000 and the Union Bank of Scotland £250,000.

In agreement with all concerned, Mr. J. A. Drexel had consented to be nominated as Chairman and Messrs. Selwitts would be appointed Auditors. The legal arrangements were in the hands of Messrs. Freshfields.

CT 113.02

+88

(5) With reference to the Minutes of the 9<sup>th</sup> November and earlier regarding Money Bills of Local Authorities, the Bankers would not agree to take the bills of their own clients and he had as yet received no word from the Chancellor. In the meantime the Banks had been approached by the Liverpool Corporation with a request to make an issue of bills on their behalf; in the circumstances, this request had been refused.



Wednesday, the 23<sup>rd</sup> November, 1938.

Present:-

The Governor,  
The Deputy Governor,  
Mr. Whigham  
Mr. Gladstone  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Ryndley

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

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 November 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 October and on Advances granted under para 13, Section (b) of the Internal Regulations and on Special Advances.

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

1. Minute of the Staff Committee recommending an appointment.
2. Minute of the Committee on St. Leger's recommending appointments.
3. Minute of the Committee on Advances and Discounts recommending the renewal of facilities to Messrs Nathan & Rosell in connection with the repayment of Advances, &c.

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:-

H. S. Craven, Sub-Agent at the Liverpool Branch:  
Age 59 years; service 41 years;  
£833:6:8 a year from the 1<sup>st</sup> March 1939 inclusive.

J. R. Grundy, a Grade II Class 1 Clerk in the Accountants' Department: age 65 years on the 7<sup>th</sup> December next; service 45 years;  
£438:6:8 a year from the 8<sup>th</sup> December 1938 inclusive.

A. W. Reese, an Auxiliary Male Clerk: age 65 years on the 16<sup>th</sup> December next; service 22 years;  
£193 a year from the 17<sup>th</sup> December next inclusive.

The

23<sup>rd</sup> November, 1908

The Governor acquainted the Committee of the following matters -

LG 10

CT 57

(1.) With reference to the Minute of the 16<sup>th</sup> November concerning an appeal on behalf of the Jews of Germany, he had learned from the Chancellor that, in his view, subscriptions from the Banks would "be regarded as amounting to the same thing as commending the fund to the City generally" and he was, therefore, not disposed to urge such a course. The Chancellor's views had been conveyed to the Clearing Bankers' Committee.

CT 45

~~LG 16~~

CT 113.03

~~LG 16~~

(2.) With reference to the Regulation whereunder two approved British names are required on bills purchased or brought into the Bank for discount, he laid before the Committee a confidential report of the Committee on Advances and Discounts regarding the value under existing conditions of the endorsements of Discount Brokers.

The report confirmed the need for action in regard to the German Standstill, but the Governor considered that no useful result could at this stage be expected from the suggestion that Accepting Houses, which are known unwillingly to have too large a proportion of frozen assets, and therefore of Standstill Bills, "should be warned".

~~LG 15~~

CT 81

CT 93

(3.) With reference to the Minute of the 9<sup>th</sup> November, he laid before the Committee a note of the 16<sup>th</sup> November which, after a long discussion, he had left with the Chancellor.

The note called attention to the dangers to which this country is exposed owing to the continuing outflow of its realisable resources.

(4.) With

23<sup>rd</sup> November

1938

CT 32. 1697

CT 35. 1089

(4) With reference to Minutes of the 31<sup>st</sup> August and the 16<sup>th</sup> November regarding the exchange position in India and in New Zealand respectively, he referred to the increasing difficulties with which both countries were faced.

Wednesday, the 30<sup>th</sup> November 1938.

Present.

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock.  
Lord Hymdry.

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

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

The Governor reported that Issue Department gold to the value of some £10,000,000 at current rates was held abroad.

The following were submitted-

1. Weekly Reports on Central Banks
2. Monthly 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-

J. A. C. Sandberg, Chief Clerk at the Hull Branch: age 56 years: service 36 years: who, in the opinion of the Bank Medical Officer, is unfit for further service. £480 a year from the 1<sup>st</sup> March 1939 inclusive.

A Minute of the Committee on Advances and Discounts with recommendations regarding-

1. Money Bills of local authorities,
2. Northern Ireland Treasury bills,

which had been examined from the legal standpoint by Messrs. Freshfields, was submitted and, having been approved in principle, was laid on the table for one week.

168  
CT 113.02

The



30<sup>th</sup> November 1938

The Governor acquainted the Committee of the following matters -

~~1232~~  
Office File

1. The Lord Mayor had asked him whether the Bank would be prepared to support an appeal which it was proposed to launch on the 30<sup>th</sup> January from the Mansion House with a view to raising a sum of £650,000 for St. Bartholomew's Hospital. The Lord Mayor had stated that this would be the one appeal which he would sponsor during his year of office.

After consultation with the Chairman of the Clearing Bankers, the Governor had told the Lord Mayor that the Bank of England and the Clearing Bankers would support the appeal but without commitment as regards the amounts to be subscribed.

~~1268~~  
CT 70.04  
70.05

2. Sir O.E. Nimmeyer had resigned from the Deputy Chairmanship and the Board of the Agricultural Mortgage Corporation and his place had been taken by Mr. E.J. Bunbury. The Governor laid before the Committee a list of Sir O.E. Nimmeyer's remaining commitments outside the Bank and explained why it was inadvisable that he should give up any of these duties.

CT 83 ~~1265~~  
CT 81 ~~1271~~

3. With reference to Minutes of the 23<sup>rd</sup> November and earlier, he referred to the difficult prospect for the Exchange Equalization Account owing to the increasing dispute in which the £ was held.

Whatever might happen in the long run, it was desirable for arrangements to be made to cover the period over the end of the year, and he read two letters of the 26<sup>th</sup> November to the Treasury regarding the steps which had been taken here to reduce or eliminate forward dealings in dollars and, in consequence, to bring in dollars from forced covering. Such action was possible only at this time of the year, owing to the monetary position; and it left outstanding the larger question.

The temporary improvement which should result might lead the Chancellor to think there was no real urgency, but, during the past week, he and the Deputy Governor had on two occasions told the Chancellor all that was possible

30<sup>th</sup> November 1938.

regarding the dangers of the present situation which appeared to them to require immediate decisions.

He laid before the Committee a note of suggested arrangements which, in his view, might be adopted but they were no more than inadequate and technical alternatives to early agreement.

LC 97  
CT 32

4. With reference to Minutes of the 23<sup>rd</sup> November and earlier, he had been informed, in all secrecy by the Governor of the Reserve Bank of India that his Board had by a majority passed a resolution asking the Government to take action to reduce the rupee-st sterling ratio. Despite this resolution, it was understood that the Government would maintain the ratio with all means at their disposal.

LC 99  
CT 35

5. With reference to Minutes of the 23<sup>rd</sup> November and earlier, the New Zealand Government had told the Dominions Office that, in view of the difficult exchange position, they felt it necessary to introduce a system by which the Reserve Bank would require all proceeds of exports and would regulate exchange operations and imports in accordance with available resources. The regulations would be operated so far as possible to favour imports from the United Kingdom.

The New Zealand Government was deferring action pending a reply from Whitehall.

LC 99  
CT 123

6. With reference to Minutes of the 13<sup>th</sup> October 1937 and earlier, recent happenings in Austria had worsened the position of the Anglo-International Bank and rendered the Chairman's position so unsatisfactory as to induce him to suggest the purchase by the Bank of England of the holdings of small British Shareholders at  $\frac{1}{2}$  a share.

Monday, the 5<sup>th</sup> December 1938

Present,

The Governor 1826  
 The Deputy Governor CT 84.01  
 Mr Whigham  
 Lord Stamp  
 Sir Andrew Duncan  
 Sir Edward Peacock  
 Lord Hynaleg

With reference to Minutes of the 10<sup>th</sup> November 1937 and earlier, the Deputy Governor reported that in view of the anticipated Christmas currency demands and the normal rise in deposits at the turn of the year the Treasury had authorised, at the Bank's request, that as from the 1<sup>st</sup> December the fiduciary issue should be raised to £230 million. It was anticipated that this increase would continue for a period of one month.

1892  
CT 188

With reference to the Minutes of the 9<sup>th</sup> November and earlier, regarding the affairs of Richard Thomas and Co. Ltd., the Governor acquainted the Committee as to the personal financial position of Sir William Sirth who, at the present time, had loans outstanding from his bankers, (Barclays, Lloyds and the Midland), totalling £396,000 against securities of a market price of some £435,000. The Income Tax position might also be difficult but the Bank had no detailed information on this point.

If Sir William Sirth were to give of his best as Chairman of Richard Thomas and Co. Ltd., it was essential that something should be done to mitigate his personal difficulties and the Governor asked the Committee to consider whether the Bank should in principle be prepared to assist in one way or another.

Any arrangements which might be made must of necessity be linked with the further question of Sir William Sirth's future remuneration from the Company.



Wednesday, the 7<sup>th</sup> December 1938

Present

The Governor  
The Deputy Governor  
Mr. Wingham  
Mr. Gladstone  
Lord Stamp  
Lord Hynodley

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

During the reading of the figures, the Governor referred to the amount of gold held abroad on account of the Issue Department.

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

The following were submitted:-

1. Weekly Reports on Central Banks.
2. Letters of the 1<sup>st</sup> December from Messrs Deloitte regarding Audits recently undertaken by them at the Liverpool and Hull Branches.

1938  
CT 50.08

1938  
CT 113.02

The Report of the Committee on Advances and Discounts with recommendations regarding Money Bills of local authorities and Northern Ireland Treasury Bills was again considered and referred to the Court of Directors.

A Minute of the Staff Committee recommending appointments, etc., and a report concerning Mr. [redacted], the wife of a former Clerk, were submitted and referred to the Court of Directors.

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

(a) A pension be granted to-

Mr. Mackenzie, Second Cashier: age 64 years service 16 years:  
£644.9/- a year from the 1<sup>st</sup> March 1939 inclusive.

(b) An allowance be granted to-

Mrs. [redacted], Widow of [redacted], a pensioner, formerly a Temporary Porter: £24 a year from the 7<sup>th</sup> September 1938 inclusive.

The Governor acquainted the Committee of the  
following

7<sup>th</sup> December 1938

following matters-

~~1670~~

CT 57

1. With reference to the Minute of the 23<sup>rd</sup> November, Mr Lionel de Rothschild had called to see him on the 6<sup>th</sup> December regarding an appeal to be broadcast by Lord Baldwin on the 8<sup>th</sup> December on behalf of Jews and non-Aryan Christian Refugees to which the "Big Five" had each agreed to contribute £1,000. The Committee agreed that the Bank would contribute a sum of 1000 quinnas provided that Whitehall did not object.

~~1673~~

CT 56

CT 84 02

2. He laid before the Committee a secret note, dated the 6<sup>th</sup> December, of proposals which had been put forward with a view to ensuring the continued production of Bank Notes and Dividend Warrants in the event of a National emergency. Consideration of the note was deferred for a week.

~~1675~~

CT 83

CT 81

3. With reference to the Minute of the 30<sup>th</sup> November concerning suggestions which might assist in safeguarding the position of sterling in the absence of "approvisionnement", he had learned from the Chancellor that he had decided to introduce no legislation at present and to take no action, save perhaps as regards the Foreign Transactions Advisory Committee.

~~1677~~

CT 188

4. With reference to the Minute of the 5<sup>th</sup> December, the Committee again considered the position of the Chairman of Richard Thomas and Co. Ltd.

Wednesday, the 14<sup>th</sup> December 1938.

Present:-

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hynall

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

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

The Weekly Reports on Central Banks were submitted.

14<sup>th</sup> December 1938.

It was agreed to recommend to the Court of Directors that, under the provisions of the Trust deed of the Superannuation Fund:-

(a) Pensions be granted to:-

F.V.H. Richdale, a Grade II Class 2 Clerk in the Overseas and Foreign Department: age 30 years: service 11 years: equal to full salary from the 23<sup>rd</sup> December 1938 until the 22<sup>nd</sup> January 1939 inclusive, and thereafter £155 a year in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938.

Samuel Norris, a draftsman in the Works Department: age 60 years: service 15 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £33.58 a year, in accordance with the scale, from the 16<sup>th</sup> December 1938 inclusive.

(b) an allowance be granted to:-

Mrs [redacted] Widow of [redacted], formerly the Bookkeeper: £26 a year, in accordance with the scale, from the 1<sup>st</sup> December 1938 inclusive, together with a grant of £260.2- as sole dependant of her husband.

163.  
CT 56  
CT 54.02

With reference to the minute of the 7<sup>th</sup> December, the secret proposals which had been put forward with a view to ensuring the continued production of Bank Notes and Dividend Warrants in the event of a National Emergency were again considered and approved in principle. It was agreed that the Treasury should be consulted before the proposals were recommended to the Court for adoption.

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

16389  
CT 167

1. The costs incurred by the Bank on behalf of the League Loans Committee during the half-year ended the 31<sup>st</sup> August 1938 amounted to £2684.5-. Of this sum, the out-of-pocket expenses were approximately £350.

16455  
CT 50.09

2. He laid before the Committee a statement showing the cost of managing, and the income derived from, the accounts



11<sup>th</sup> December 1938

accounts of Central Banks during the half-year ended the 31<sup>st</sup> August 1938. The statement showed an estimated loss of £1,667-7-11 and this sum had accordingly been transferred to Profit and Loss from the Central Banking Suspense Account, leaving a balance on the latter account of £518,000.

Wednesday, the 21<sup>st</sup> December 1938

Present

The Governor  
The Deputy Governor  
Mr. Wingham  
Mr. Stadelone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Beacock  
Lord Hyndley

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

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 Discount Committee on the Discount business of the Bank for the month of November.

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

1. Committee on J. L. L. -

Recommendation as to the provision of additional Vault accommodation.

2. Staff Committee -

(a) Minute recommending appointments, etc.

(b) Report regarding the security furnished by Agents and Sub-Agents.

It was agreed to recommend to the Court of Directors that, under the provisions of the Trust Deed of the Superannuation Fund -

1. Pensions be granted in accordance with the scale to -  
J. S. Mack, a Grade II Class 1 Clerk in the Cashier's Department and Branches: age 50 years: service 32 years: who, in the opinion of the Bank medical officer, is unfit for further service: £350-13-6 a year from the 1<sup>st</sup> February 1939 inclusive.

21<sup>st</sup> December 1938.

- E. B. Liddell, a Grade II Class 1 Woman Clerk at the Newcastle Branch, age 45 years: Service 23 years: £115-6- a year from the 1<sup>st</sup> January 1939 inclusive.
- E. J. Marsh, an Auxiliary Woman Clerk: age 50 years on the 9<sup>th</sup> January 1939: Service 20 years: £80 a year from the 10<sup>th</sup> January 1939 inclusive.
- R. J. Wall, an Auxiliary Woman Clerk: age 50 years on the 10<sup>th</sup> January 1939: Service 19 years: £76 a year from the 11<sup>th</sup> January 1939 inclusive.

2. An allowance be granted in accordance with the scale to-

Mrs. [redacted], Widow of [redacted], a pensioner, formerly an Auxiliary Clerk: £60 a year from the 1<sup>st</sup> December 1938 inclusive, together with a grant of £180-5 as sole dependant of her husband.

3. An allowance be granted exceptionally to-

[redacted] a pensioner, formerly a ditaman in the Works Department: £20 a year for two years from the 15<sup>th</sup> December 1938 inclusive, the position to be reconsidered at the expiration of that period.

4. A grant be made to-

Mrs. [redacted], Sister of [redacted], formerly a ditaman in the Works Department: £166-8- as sole dependant of her brother.

The Governor acquainted the Committee of the following matters:-

1865  
CT 81

1. With reference to the Minutes of the 7<sup>th</sup> December and earlier as to the sterling exchange position, he had yet again warned the Chancellor that, in his view, His Majesty's Government were running a serious risk in letting matters take their course. The officials of His Majesty's Treasury had been kept continually aware of this view and of the representations which had from time to time been made to the Chancellor.

1877  
CT 122

2. With reference to the Minutes of the 22<sup>nd</sup> December 1937 and earlier, he laid before the Committee the Chief Cashier's note of the 14<sup>th</sup> December regarding the assets of the Mint Ltd.

21<sup>st</sup> December 1938.

+654

+653

CT 189

CT 171

  
 Dec 7
Present.

The Governor  
 The Deputy Governor.  
 Mr. Gladstone  
 Lord Stamp.  
 Sir Edward Boscawen.

3

With reference to the Minute of the 15<sup>th</sup> December 1937 regarding the Securities Management Trust's holding of one "A" Ordinary Share of the Bankers' Industrial Development Co. Ltd., the Secretary of the Securities Management Trust had been informed that in the event of any sum becoming payable in respect of calls upon this Share the Bank would provide, by way of an advance to his Company, such sum as the Company was unable to provide out of its own available resources.

Wednesday, the 28<sup>th</sup> December 1938.

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

A 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.

+655  
 CT 56  
 CT 84 02

It was agreed to recommend to the Court of Directors that the proposals set out in the following Secret note for ensuring the continued production of Bank Notes and Dividend Warrants in the event of a National Emergency be adopted -

Emergency Measures£1 and 10s Bank Notes and Dividend Warrants.1. Reserve Stocks

- (a) The stock of £1 and 10s Bank Notes is considered adequate even on the assumption that Bank Note printing may have to be suspended for up to six months. Further distribution of Notes about the country is being considered.
- (b) It is now proposed to build up a six months' reserve of dividend warrants. The reserve warrants for mechanised stocks can be used in any case and no waste will be



28<sup>th</sup> December 1938

148

incurred. The warrants for the Stocks not yet mechanised (the mechanisation programme will be completed in 15 months) will be wasted if no emergency occurs, and the cost (£4,000) would fall upon the Management charges.

## 2. Alternative arrangements for production.

(a) It is proposed that a shadow factory be constructed immediately adjacent to the Overton Mills on land to be bought or leased from Lord Portal. In the event of emergency, machinery from S. Lukin's required to produce a lithographic Bank Note would at once be moved to this factory for storage, whilst dividend warrant machinery would be moved and erected there for temporary production. It has been ascertained that if for any reason machinery could not be moved from S. Lukin's adequate machinery could be acquired to print a lithographic Note.

(b) It is further proposed that a suitable factory in the neighbourhood of Overton be earmarked now for requisition after an emergency or, if this proves impossible, that foundations be laid at Overton for a second factory to be erected after an emergency. Dividend warrant machinery would in due course be transferred to and erected in the second factory, leaving the original shadow <sup>factory</sup> to be used for Bank Note production.

## 3. Cost.

The total cost of these proposals is estimated as follows -

Wastage of dividend warrants for non-mechanised stocks	£ 500
Erection of shadow factory	25,000
Foundations of second factory (if necessary)	5,000

£30,500

It is proposed that the Bank should provide the money and charge to the Issue Department, by agreement with the Treasury, a proportion of rent of the shadow factory until an emergency arises and the total rent of the shadow factory when in use for Bank Note production. It is suggested that the capital value of the shadow factory should be shown in S. Lukin's accounts.

(Sd) A. Whitworth

(Sd) C. J. Colbold

1<sup>st</sup> December 1938.

28<sup>th</sup> December 1938.+648  
CT 81 03

With reference to the Minute of the 26<sup>th</sup> February 1932 as to the availability of figures of the Foreign Exchange held by the Bank and by His Majesty's Government, and of the Returns of Sterling assets and engagements to Foreigners, the Deputy Governor laid before the Committee a list of those Officials and Advisers who would in future have access to those figures, under conditions of the strictest secrecy.

CT 84 1026  
CT 84 01 1027  
CT 95 1027  
CT 81

With reference to the Minute of the 5<sup>th</sup> December 1938, the Deputy Governor reminded the Committee that if no action were taken the Fiduciary Issue would automatically revert to £260,000,000 on the 6<sup>th</sup> January. It was, however, proposed to recommend to His Majesty's Treasury that on or before that date a considerable sum of gold should be transferred from the Issue Department to the Exchange Equalisation Account: this would involve application to His Majesty's Treasury for an increase in the Fiduciary Issue above the figure of £260,000,000.

Tuesday, the 3<sup>rd</sup> January 1939.

Present.

The Governor  
The Deputy Governor  
Mr. Wingham  
Mr. Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hyndley

1865  
97 41  
CT 99  
CT 95

With reference to the Minutes of the 21<sup>st</sup> December 1938 and earlier, the Governor reviewed the representations which he had made to the Chancellor during the past two months as to the serious dangers attending the Sterling exchange position. No action having been taken in Whitehall, he had on the 29<sup>th</sup> December written a letter to the Chancellor which he laid before the Committee.

Intimation had now been received from France, Holland, Belgium and Switzerland that, in the event of any further considerable fall in the Sterling rate, they might find it necessary to take measures for self-protection: in France too, a change of policy might prove necessary which would be unworkable to us. The Committee agreed, after discussion, that the Governor might inform the Chancellor that, owing to the serious prospect of the Exchanges, the Bank were disposed to raise the Bank rate to, say, 6% within a week or two if such a course were not in conflict with the policy of His Majesty's Government.

Wednesday, the 4<sup>th</sup> January 1939.

Present.

The Deputy Governor  
Mr. Whigham.  
Mr. Gladstone.  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hyndley

The draft Minutes of the Meetings of the 28<sup>th</sup> December and the 3<sup>rd</sup> January were read and agreed as amended.

A 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. Monthly Letter to Dominion Central Banks.

CT 69.07 1770

The Second Interim Report of the Special Committee on Branch Premises, etc., was submitted and consideration thereof was deferred for a week.

A request by Mr. Ashley Cooper for permission to join the Boards of-

Trinidad Leaseholds Ltd.  
North Venezuelan Petroleum Company Ltd.  
Locuyo Oilfields of Venezuela Ltd.  
Siparia Trinidad Oilfields Ltd.  
Guarico Oilfields (Venezuela) Ltd.  
Ultramar Exploration Company Ltd.

was submitted and referred to the Court of Directors

It was agreed to recommend to the Court of Directors-

1. That under the provisions of the Trust Deed of the Superannuation Fund
  - (a) A pension be granted in accordance with the scale to -  
J. A. R. Bell, a Cashier: age 60 years: service 41 years: £553 16 8  
a year from the 1<sup>st</sup> April 1939 inclusive.
  - (b) A pension be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to -  
A. J. A. Dean a Grade II Class 2 Clerk in the Chief Accountants Correspondence Office: age 31 years: service 13 years: £146 12 1/2 a year from the 10<sup>th</sup> January 1939 inclusive.



8<sup>th</sup> January 1929

(c) An allowance be granted in accordance with the Scale to-  
Mrs [redacted], Widow of [redacted] a pensioner,  
formerly Senior Messenger to the Secretary: £2  
a year from the 21<sup>st</sup> December 1938 inclusive

(d) Grants be made to-

Mrs [redacted], Mother of [redacted], formerly Deputy  
Principal of the Bank Note Office: £859 10s 3  
as sole dependant of her son.

Mrs [redacted], Widow of [redacted] formerly a Grade II Class 1  
Clerk in the Printing Section, S. Lumsden's Printing  
Works: £490 as sole dependant of her  
husband.

7. That the resignation of Mr E. B. Jackson from the service of  
the Bank be accepted, to take effect on such date between now and  
the end of February 1929 as may be convenient to him, and that  
his salary be paid as though he had remained in the service  
until the 31<sup>st</sup> March 1929.

It was further agreed to recommend that a sum of  
£1500 be paid to Mr Jackson from the Special Pensions Reserve Fund.

In connection with Mr Jackson's retirement, the  
Committee approved the proposal that travelling and removal  
expenses incidental to his return to Canada should be borne  
by the Bank.

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

163

211  
CT 40-01

1. The President of the Board of Trade was  
being asked by the Board of Trade and the Treasury to agree to  
the setting up of an Interdepartmental Committee to consider the  
desirability and practicability of buying adequate stocks of  
essential goods so as to tide over initial difficulties in the event  
of national emergency. The Treasury had asked for assistance  
from the Bank and it had been agreed that Mr Cottrell and Mr  
Clay should serve on such a Committee if it were formed.

1865

CT 41

- CT 99

2. With reference to the Minutes of the 3<sup>rd</sup>  
January, the Governor and Deputy Governor had a long discussion  
with the Chancellor the same afternoon regarding the Sterling  
exchange position.

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

The Governor had raised with the Chancellor, on the basis of mutual co-operation, the question of the possible advantages of a rise in the Bank Rate in the near future as the traditional method of protecting our exchange position. It had been agreed that further consideration of this suggestion should be deferred until the Chancellor had had an opportunity of discussing the question with the Prime Minister and the outcome of the Rome visit could be assessed by His Majesty's Government.

CT 81 1694  
CT 95 1665

3.

With reference to the Minute of the 16<sup>th</sup> May 1938, he laid before the Committee a letter from the Chancellor dated the 2<sup>nd</sup> January asking that the unofficial embargo on forward dealings in gold and on the granting of credit facilities against private holdings of gold should be restored in full force. The Bank were forwarding copies of this letter to the President of the British Bankers' Association, the Chairman of the Committee of London Clearing Bankers, the Chairman of the Foreign Exchange Committee, all Members of the Bullion Market, and to the Central Banks of France, Belgium, Holland and Switzerland.

CT 84 1626  
CT 8401 1627  
CT 95 1665  
CT 81 177

4.

With reference to the Minute of the 28<sup>th</sup> December regarding the Fiduciary Issue, he proposed to recommend that gold amounting to approximately £200 million at the statutory price should be transferred from the Issue Department to the Exchange Equalisation Account. This amount would represent roughly the net amount of gold which had been transferred to the Issue Department from the Exchange Equalisation Account since its inception.

sent  
16.1

Wednesday, the 11<sup>th</sup> January 1939.

Present.

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Rickett  
Lord Mynlley

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

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

He



11<sup>th</sup> January 1939~~CT 189~~  
CT 69.07

The Second Interim Report of the Special Committee on Branch Premises, etc, was submitted and referred to the Court of Directors.

It was agreed to recommend to the Court of Directors that, under the provisions of the Trust Deed of the Superannuation Fund -

(a) Pensions be granted in accordance with the Scale to -

William Bates, an Inspector at St Luke's Printing Works: age 65 years. Service 31 years: £135.8- a year from the 15<sup>th</sup> February 1939 inclusive.

Henry Stone, a House Porter and Watchman: age 65 years on the 2<sup>nd</sup> February 1939. Service 22 years: £97.12.6 a year from the 3<sup>rd</sup> February 1939 inclusive.

(b) A special pension be granted to -

A. B. Milner, a Grade I Division 2 Woman Clerk at the Hull Branch: age 68 years. Service 22 years: £145.12- a year from the 1<sup>st</sup> March 1939 inclusive.

(c) An allowance be granted in accordance with the scale to -

Mrs [redacted] widow of [redacted], formerly a labourer at St Luke's Printing Works: £26 a year from the 20<sup>th</sup> December 1938 inclusive, together with a grant of £183.6- as sole dependant of her husband.

~~CT 189~~CT 187.  
CT 189

It was agreed to recommend to the Court of Directors that, in the event of the proposals for the provision of new capital for John Summers and Sons Ltd, which were submitted to the Shareholders on the 9<sup>th</sup> January 1939, being adopted, and of certain consequent arrangements being carried through, the Bank should subscribe for 1,000,000 "A" Ordinary Shares of £1 each of that Company.

The Governor acquainted the Committee of the following matters -

~~CT 189~~  
CT 74

1. He laid before the Committee a letter of the 3<sup>rd</sup> January from the B.B.C. asking for the Bank's assistance in regard to a proposed series of talks on the subject of "The City of London". The series was planned to include the Corporation, the City Companies, the Bank of England, the Stock Exchange, Lloyds and the Baltic.

The Secretary was instructed to have a preliminary discussion with the writer to obtain detailed



11<sup>th</sup> January 1939

information as to the arrangements proposed and to explore the possibility of co-operation with the other Institutions concerned.

465  
CT 56  
CT 69-13  
CT 98.

(2)

With reference to the Minutes of the 28<sup>th</sup> December and earlier, regarding the erection of a Shadow Factory at Overton, he laid before the Committee a note of the 9<sup>th</sup> January from the Chairman of the Committee on S. Duke's asking for guidance in regard to a suggestion that the Factory should be erected and paid for by Portals who would charge the Bank a percentage on the capital cost, Portals being responsible for the repair and upkeep of the buildings.

After discussion, it was agreed that the Chairman be informed that the Committee saw no objection in principle to the suggestion and that it should be left with him to discuss with Lord Sordal the terms of any arrangement satisfactory to his Committee which he would commend to the Committee of Treasury in due course.

4653  
4637  
CT 171  
CT 189

(3)

With reference to the Minutes of the 30<sup>th</sup> March 1938 and earlier, as to the need for an Industrial Advisor in the place of Sir Charles Bruce-Jardine, recent experience in regard to Richard Thomas and Co. and John Summers and Sons had further emphasised the need and he asked the Committee to treat the question as urgent and to submit names for consideration as soon as possible.

4651  
CT 39.01

(4)

With reference to Minutes of the 11<sup>th</sup> August 1937 and earlier, the Treasury had raised the question of the continuance of the China Consortium Agreement and he laid before the Committee his letter of the 29<sup>th</sup> December stating that, in his opinion, it would be unwise to institute any steps at this moment to determine the Agreement.

46100  
CT 45

(5)

On the eve of his departure for Berlin, he had received a letter from Sir Alexander Cadogan conveying a message from the Foreign Secretary. The contents of this letter, which he laid before the Committee, were the more surprising as the proposed visit had not with the full acquiescence of the Prime Minister, the Chancellor, Sir Horace Wilson and Sir Nevile Henderson.

While in Berlin, he had, in agreement with Dr Schacht, deliberately avoided all Ministers and Politicians and, apart from a social duty, had spent his time partly at the Embassy but mostly at the Reichsbank re-establishing old and valued contacts and meeting half-a-dozen Berlin Bankers. In his opinion, nothing but good should result from the

Visit

11<sup>th</sup> January 1939

visit, which might well lead towards better understanding and other exchange of visits.

(b). no business of particular interest had been transacted at the January Meeting of the Board of the E.I.S., but the personal discussions had proved valuable. It appeared that his attempt to re-open the German door had given general satisfaction.

Great apprehension had been shown as to the future of sterling, particularly among the Belgians, Dutch and Swiss, the smaller members of the Tri-partite Agreement. They were glad to note the measures taken here in the previous week and hoped that the British authorities would show determination not to allow further depreciation, which might force them to take new measures in their own countries or even into competitive depreciation.

There was a general desire to co-operate in order to maintain the exchanges but the opinion was expressed in several quarters that, failing a lessening of the international tension, no improvement could be looked for in the sterling position, except possibly <sup>through</sup> some abandonment for technical reasons of the policy of so-called "cheap money."

With reference to the Minute of the 16<sup>th</sup> January as to the recent sale of Issue Gold to the Exchange Equalisation Account and to the Minute of the 7<sup>th</sup> September 1938 as to the value of securities in the Issue Department, the Deputy Governor acquainted the Committee that, in connection with legislation which would shortly be introduced regarding the increase in the Fiduciary Issue, he anticipated that powers would be taken to revalue the Issue Gold at current price and that in future any appreciation or depreciation of Securities would be adjusted through the Consolidated Fund.

It was as yet undecided whether the profit resulting from the revaluation of Issue Gold - some £90 millions odd - would be paid over to the Exchange Equalisation Account or used in redemption of debt. In all the circumstances, the Bank favoured the former course.



Wednesday, the 18<sup>th</sup> January 1939

Present:-

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Gladstone  
Sir Andrew Duncan  
Sir Edmund Hawes  
Lord Hyndley

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

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

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

1. The Quarterly Report of the Audit Committee on Audits taken by the Audit Department, etc.
2. Staff Committee-  
(a) Minute recommending appointments, etc.  
(b) Quarterly Report as to wages, pensions, etc.

It was agreed to recommend to the Court of Directors that, under the provisions of the Trust Deed of the Superannuation Fund:-

(a) A pension be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to-

A. H. Barrett, a Deputy Principal in the Accountants Department: age 58 years: service 36 years: £496.12.8 a year from the 12<sup>th</sup> February 1939 inclusive.

(b) A pension be granted in accordance with the scale to-  
Frederick Davison, a Painter in the Works Department: age 70 years on the 9<sup>th</sup> February 1939: service 21 years: £169.11.- a year from the 10<sup>th</sup> February 1939 inclusive.

(c) A special pension be granted to-  
J. C. Crocker, Foreman Painter in the Bank Note Office: age 60 years: service 40 years: £169.8.8 a year from the 12<sup>th</sup> February 1939 inclusive.

(d) Allowances be granted in accordance with the scale to-  
Mrs [redacted] widow of [redacted] a pensioner, formerly Head Electrician at St. Luke's Printing Works: £22 a year from the 10<sup>th</sup> January 1939 inclusive.



18<sup>th</sup> January 1939

4/20 [redacted] Widow of [redacted], a pensioner, formerly a Foreman at S. Lukis Printing Works: £26 a year from the 3<sup>rd</sup> January 1939 inclusive.

CT 84  
CT 88

With reference to the Minutes of the 1<sup>st</sup> June 1938 and earlier, it was agreed to recommend to the Court of Directors that a payment of £500 be made to Messrs Ineshpadas, decedent and minors in respect of the half-year ended the 30<sup>th</sup> September 1938 over and above the amount of their legal charges according to the usual scale, owing to the demands made by the Bank on the time of certain Partners: similar payments for subsequent half-years to be continued at the discretion of the Governors, subject to ratification by the Court of Directors on each occasion.

It was agreed to recommend to the Court of Directors-

That the half-yearly accounts be brought before the Court of Directors on Thursday, the 16<sup>th</sup> March.

That a General Court to consider of a Dividend (which will also be a half-yearly General Court) be held at the Bank on Thursday, the 23<sup>rd</sup> March, at 12 o'clock.

That with a view to the preparation of a Dividend the balance of the Stock ledgers of Bank Stock be taken on the night of Thursday, the 23<sup>rd</sup> March, and that the dividend warrants be delivered on Wednesday, the 5<sup>th</sup> April.

That a General Court for the Election of Governor and Deputy Governor for the year ensuing be appointed for Tuesday, the 18<sup>th</sup> April, and for the Election of Directors for Wednesday, the 19<sup>th</sup> April, from 11 am. to 6 pm each day.

CT 84 ~~1808~~  
CT 84.01 ~~1808~~  
CT 95 ~~1808~~  
CT 81 ~~1808~~

With reference to the Minute of the 11<sup>th</sup> January as to the Fiduciary Issue and the assets of the Issue Department, the following points were discussed in connection with the proposed legislation-

1. The figure at which the Fiduciary Issue should stand subject to the revaluation of the gold holding.
2. The disposal of the profit on such revaluation.
3. Whether steps could now be taken to deal with the present deficit arising from the depreciation in securities, and with any future depreciation or appreciation.

15<sup>th</sup> January 1939

158

The Governor acquainted the Committee of the following matters:-

~~187~~  
CT 44

1. From time to time, he had been urged from within the Bank to make representations to H.M. Government for consideration and indeed for a possible settlement of the American War Debt. In his view, this was now entirely a political question which he could not properly be the first to touch.

~~165~~  
~~169~~  
CT 171  
CT 189

2. With reference to the Minutes of the 11<sup>th</sup> January and earlier, consideration of the appointment of a successor to Sir Charles Bruce-Gardner raised the question of the future of the B.I.D., as the Industrial Adviser to the Bank, besides actively pursuing the work of the Com. I., would be required to represent that Company on the Board of the B.I.D. The Committee agreed that under existing industrial conditions the life of the B.I.D. should in one form or another be continued after 1940 although changes in the structure and shareholding might be necessary.

It was agreed that for consideration at a later Meeting, the name, among others, of an Accountant of wide industrial experience should be sought.

~~172~~  
CT 173

3. With reference to the Minute of the 1<sup>st</sup> December 1935, Major Bustard now wished to raise several million pounds for the building of ships for a regular and cheap passenger service between Liverpool and New York and had asked for his moral support.

The Governor considered that there was no room for a third competing line in the North Atlantic and on a question of principle had declined to give support at this stage - especially as the attitude of the Chancellor was strictly neutral.

CT 95 ~~186~~  
CT 81 ~~187~~

4. With reference to the Minute of the 1<sup>st</sup> January, he laid before the Committee his letters of the 12<sup>th</sup> January to the Stock Exchange, to Lloyd's and to the British Insurance Association with which he had enclosed copies of the Chancellor's letter of the 31<sup>st</sup> December regarding the financing of currency speculation in the London Market.

He also laid before the Committee a letter of the 13<sup>th</sup> January from the President of the Netherlands Bank on the subject of the exchanges, a copy of which he had forwarded to the Chancellor.

~~188~~  
CT 70  
SEC. 10

5. He asked the Committee to consider the wisdom of making in one way or another a statement to the effect that financial or banking interests on the Court of Directors should be limited, that when first

recommended



18 January 1939

recommended to the Proprietors for election a Governor or Deputy Governor should be free from objection by the then Chancellor, and that an increase in the rate of dividend should also be free from such objection.

The statement could well be made at a General Court and would only be putting into form what was already true in fact.

### Present-

The Governor  
The Deputy Governor  
Mr. Whigham  
Mr. Glanville  
Sir Edward Peacock  
Lord Hymond

Wednesday, the 25<sup>th</sup> January 1939.

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

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

The following were submitted:-

1. Weekly Reports on Central Banks.
2. The Half-yearly Report on the Non-Clerical Staff.
3. Report of the Committee on Advances and Discounts on the Discount business of the Bank for the month of December.

FCB  
ex 56  
ex 69-13.

With reference to Minutes of the 11<sup>th</sup> January 1939 and earlier, a draft of the Heads of an Agreement between the Bank and Portals Limited in regard to the erection of Shadow Factories at Overton was submitted by the Committee on S. Lukis for approval in principle and consideration was deferred.

It was agreed to recommend to the Court of Directors-

1. That under the provisions of the Trust Deed of the Superannuation Fund-

(a) Pensions be granted in accordance with the scale to-  
J. M. Buchanan, a Grade I Division 1 Clerk in the Cashier's Department:  
age 58 years: service 40 years: £500 a year from the 11<sup>th</sup> May 1939 inclusive.

John Sparrow, First Linotype Operator at S. Lukis Printing Works:  
age 46 years: service 19 years: who, in the opinion of the Bank Medical Officer, is unfit for further service:  
£32.6.8 a year from the 1<sup>st</sup> April 1939 inclusive.



25<sup>th</sup> January 1939

(b) A pension be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to -

W.E. Wordingham, An Assistant Principal in the Customs Department: Age 57 years. Service 39 years: £509.12 - a year from the 31<sup>st</sup> May 1939 inclusive.

~~LA 92~~  
Office File

2. That a sum of 1,000 Guineas be paid to King Edward's Hospital Fund for London to be allocated by them in due course as a donation from the Bank in response to the appeal, shortly to be launched by the Lord Mayor, on behalf of St Bartholomew's Hospital.

The Governor acquainted the Committee of the following matters -

~~LA 59~~  
CT 74

1. With reference to the Minute of the 11<sup>th</sup> January as to arrangements for a series of talks on "The City of London" to be broadcast to the Empire, the Chairman of the Baltic, of Lloyd's and of the Stock Exchange had already agreed to speak. In his view, a talk on the Bank, brief though it must be, should be of interest to the Dominions and their Central Banks and might help to remove many misunderstandings. It was agreed that the Bank should contribute to the series and that either the Governor or the Deputy Governor should broadcast on a date to be arranged in March next.

CT 84. ~~LA 56~~  
CT 84 C1. ~~LA 56~~  
~~LA 24~~  
CT 95 ~~LA 65~~  
CT 81 ~~LA 7~~

2. With reference to the Minute of the 18<sup>th</sup> January as to the proposed legislation arising from the recent increase in the fiduciary issue, he referred to certain provisions in the latest Draft of a Bill now under discussion between the Bank and the Treasury.

~~LA 11~~  
CT 45

3. On the previous afternoon, he, together with Lord Stamp and some twelve others, had attended a meeting at the Foreign Office at the urgent request of the Foreign Secretary who had spoken with the utmost gravity of the present international situation and prospects. He had asked those present to sign a Manifesto, addressed in particular to the German nation, which was to be broadcast in the near future. A copy of the Manifesto together with a list of the proposed signatories was laid before the Committee.

Although this form of propaganda might well lead to increased bitterness and retaliation on the part of the German Government, he had no option but to comply with the Foreign Secretary's earnest request made as it was with the knowledge and consent of the Prime Minister.

(b) With

25<sup>th</sup> January 1939+ 815  
CT 27

4. With reference to the Minute of the 3<sup>rd</sup> February 1937, he proposed, subject to agreement with Whitehall, to send one or two representatives of the Bank to visit the Russian Central Bank in the early Spring.

+ 816  
CT 39 03.

5. With reference to Minutes of the 20<sup>th</sup> July 1938 and earlier, he laid before the Committee a letter of the 20<sup>th</sup> January to Sir Fredericks Leith-Ross which he had written on hearing that Rogers was on his way to this country at the request of the Chinese Government.

The widening and indeed the changing sphere of Rogers' work from Central Banking to Politics and Diplomacy raised questions of great difficulty and the Governor was trying to bring about a complete severance of Rogers' official connection with the Bank of England, including the discontinuance of his salary from here, for the time being.

CT 81 + 847  
+ 848

6. With reference to the Minutes of the 18<sup>th</sup> January and earlier, he laid before the Committee a letter of the 21<sup>st</sup> January from the President of the Swiss National Bank concerning the sterling exchange position, a copy of which the Governor had forwarded to the Chancellor.

+ 849  
CT 70

With reference to the Minute of the 18<sup>th</sup> January, the question of making a statement in one form or another at a General Court or otherwise as to the Bank's practice and policy in regard to the composition of the Court of Directors, the election of Governors and Deputy Governors, and the Dividend, was again <sup>considered</sup> ~~discussed~~.

Wednesday, the 1<sup>st</sup> February 1939

Present-

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Gladstone  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Alfordley

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

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

1st February 1939

The following were submitted:-

1. Weekly Reports on Central Banks.
2. Monthly letter to Dominion Central Banks.

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. Report of the Staff Committee concerning [redacted], Grade II Class 3 Clerk in the Accountants Department.
3. A request from Mr. Ashley Cooper to join the Board of Trinidad Northern Areas Ltd.

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:-  
 J. E. Bull, an auxiliary Clerk - age 65 years on the 18th February 1939  
 service 21 years - £137 a year from the 18th February 1939 inclusive.

~~165~~  
 CT 56  
 CT 69-13  
 CT 98

The Draft submitted by the Committee on 8th Jan's of the Heads of an Agreement between the Bank and Portals Limited in regard to the erection of Shadow Factories at Overlow was further considered and agreed in principle.

~~1739~~  
 CT 70-01

In reference to Minutes of the 25th January and earlier, it was agreed to suggest for consideration by the Court of Directors:-

i. That at the Half-yearly General Court on the 23rd March the Proprietors be asked to authorise an increase in the amount placed at the disposal of the Court of Directors for the remuneration of Members of the Court whose exclusive services are engaged.

ii. That it should be explained to the Proprietors that the need for these alterations arose mainly from the fact that there was now no prescribed limit as to the length of service of the Governor and Deputy Governor.

iii. That in referring to the policy of the Court of Directors in this regard opportunity be taken also to explain that for some time past it has been their aim to ensure that:-

CT 70

(a) when first recommended to the Proprietors for election a Governor or Deputy Governor should be free from objection by



1<sup>st</sup> February 1939

by the then Chancellor.

(b) Financial or Banking interests on the Court of Directors should be limited.

(c) An increase in the rate of dividend should also be free from objection by the then Chancellor.

It was further agreed that the question of the payment of pensions to those Members of the Court whose exclusive services have been retained should be examined so that any necessary arrangements might be made in conjunction with the suggested proposal for an increase in the amount placed at the disposal of the Court of Directors under By-Law 13.

The Governor acquainted the Committee of the following matters -

1865  
CT 81 1877

1. With reference to Minutes of the 25<sup>th</sup> January and earlier regarding the sterling exchange position, he laid before the Committee a letter of the 25<sup>th</sup> January from the Governor of the National Bank of Belgium, a copy of which had been forwarded to the Chancellor.

1877  
CT 39.01

2. With reference to Minutes of the 11<sup>th</sup> January and earlier, regarding the China Consortium Agreement, he laid before the Committee the Bank's letter of the 27<sup>th</sup> January to the Treasury concerning the threatened withdrawal of the American Banking Group.

CT 84 1858  
CT 84.01 1826  
CT 95 1827  
1868  
CT 81 1877

3. With reference to Minutes of the 25<sup>th</sup> January and earlier as to proposed legislation in connection with the recent increase in the fiduciary issue, he outlined the provisions of a Bill which was to be presented in the House that day.

CT 187 1853  
CT 171 1877

4. With reference to Minutes of the 13<sup>th</sup> January and earlier as to the appointment of an Industrial Adviser to the Bank, he asked the Committee to consider whether at the moment one appointment only should be made or whether they should seek to appoint both an industrialist and an accountant with industrial experience.

1<sup>st</sup> February 1939+647  
CT 95.07

5.

He said before the Committee his letter of the 24<sup>th</sup> January to Sir Ernest Oppenheimer on the subject of co-operation among the gold-mining interest in London.

+642  
CT 37.01

6.

Mr Osborne had received an invitation to give an informal talk about the Bank of Canada at the Meeting on the 14<sup>th</sup> February of the Canadian Luncheon Club which had been formed recently under the chairmanship of Mr Vincent Massey. The proceedings of the Club were entirely private and he had agreed that Mr Osborne should accept the invitation with the knowledge of Mr Bourne.

CT 45 +646  
CT 113.03 +745

7.

With reference to Minutes of the 23<sup>rd</sup> November 1938 and earlier, he understood that the Clearing Banks, after the termination of the present agreement, would be reluctant to take Permanent Standstill Bills accepted by the Houses, of which there might be some £14/16 million still on the market.

He was considering whether he should arrange that the Houses should take up a further percentage of their Standstill acceptances, thus making a total reduction of, say, 60%.

1007

Wednesday, the 8<sup>th</sup> February 1939Present-

The Governor  
The Deputy Governor  
Mr Whigham  
Mr Stodolone  
Lord Stamp  
Sir Andrew Acland  
Sir Edward Peacock  
Lord Hyndley

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

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

The following were submitted-

1. Weekly Reports on Central Banks
2. The list of subscriptions to Charities, etc., for the current year.

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

1. The Third Interim Report of the Special Committee on Branch Premises, etc., in regard to the extension of the Record Office at Rochampton.
2. A recommendation from the Staff Committee as to the Staff of the Hull Branch.

CT 69.11 +770  
CT 69.07

CT 68 +770

8th February 1939

It was agreed to recommend to the Court

of Directors -

1. That under the provisions of the Trust Deed of the Superannuation Fund -

(a) A pension be granted in accordance with the terms of an Order of Court of the 20th October 1938 to

Jefferson Wedgwood, a Grade I Division 1 Clerk in the accounts

Department: age 47 years: service 29 years £321 18/- a year from the 26th April 1939 inclusive.

(b) An allowance be granted in accordance with the scale to -  
Mrs [redacted] Widow of [redacted], a Pensioner, formerly an auxiliary Clerk £45 a year from the 9th January 1939 inclusive.

2. That a donation of 20 Guineas be made to the Royal Hospital and Home for Incurables, Putney, and that the question of subsequent donations be reviewed by the Committee annually.
3. That the rate of interest to be allowed by the Bank to the Bankers' Society on deposits by members be continued for the year ending the 29th February 1940 at the rate of 3½% free of Income Tax.

1729  
CT 67.03

A request from the Committee of the Bank of England Dramatic Society was considered and it was agreed that the grant to the Society for the current year be increased to the extent necessary to enable them to make a donation of £100 in response to the appeal for funds to build and equip a National Theatre.

1739  
CT 70.01

With reference to Minutes of the 1st February and earlier, the Committee further considered proposals in regard to an amendment of By-Law XIII and other matters which might be brought before the General Court on the 23rd March next and it was agreed that these questions be again brought before the Court of Directors for discussion on the following day.

The Governor acquainted the Committee of the following matters -

CT 39.03. + 76

1. With reference to the Minute of the 25th January it was suggested that the continuance of Rogers' present work



8th February 1939

in China should be subject to terms and conditions between Rogers and the Bank as set out in a draft agreement which he laid before the Committee.

After discussion the arrangements, as amended, were agreed in principle and were referred to the Staff Committee for their consideration.

CT 189 4653

CT 171 4639

2. With reference to Minutes of the 1st February and earlier, the appointment of Industrial Advisers to the Bank had to be considered in conjunction with the <sup>whole</sup> question of the Bank's future policy vis-a-vis industry and the bearing of that policy on the future of both the S.M.I. and the B.I.A.

If the necessity for Industrial Advisers were proved, he would suggest that the best plan might be to appoint two individuals who would act as Joint Managing Directors of the S.M.I., one or possibly both acting also in a similar capacity in regard to the B.I.A.

As to an Industrialist, he suggested that an invitation on terms to be arranged might be extended to Mr J.E. James when he shall be entirely released from Richard Thomas and Co. his appointment would be dependent upon the quing up of his position with the Lancashire Steel Corporation and others.

After this first appointment should have been satisfactorily arranged, an invitation might be extended to an Accountant, preferably from Deloitte, to fill the second post.

4792  
CT 188

3. With reference to the Minute of the 5th December 1938 regarding Sir William Jirth's financial position it was provisionally agreed that, subject to a satisfactory <sup>standing</sup> ~~understanding~~ being reached with his personal Auditors, to agreement with the Bank's legal adviser and to the willingness of Sir William Jirth when he shall have returned from America to enter into such an arrangement, the Bank should purchase from him his total holding of debentures of Richard Thomas & Co. Ltd., amounting to £399,300 at 99½, this being the price at which the debentures were issued to the public in 1936. The present price of the debentures is estimated to be between 65-70.

Although it was thought that this purchase of debentures would clear Sir William Jirth's loan position with his bankers and leave with him some £50,000 which would probably be sufficient to enable him to deal with his Income Tax and Surtax position,

it

8<sup>th</sup> February 1939

it was also agreed provisionally that the Bank would be prepared in case of need to take some amount of his Ordinary Shares at 13 $\frac{1}{4}$ , this being their issue price at the time of the debenture issue. The present price of these shares is in the neighbourhood of 3 $\frac{1}{2}$ .

Sir William Bith on his part would have to be bound in writing to secrecy, which would be observed by all concerned, and to agree -

1. To have no more dealings of any kind in Securities.
2. To give no guarantees of any kind.
3. To enter into no financial commitments, which shall be held to include the borrowing of money.

Wednesday, 15<sup>th</sup> February 1939.

Present.

The Governor.  
The Deputy Governor  
Lord S. J. P.  
Mr. Chichester.  
Mr. Gladstone.  
Sir Andrew Duncan.  
Sir Edward Knatchbull.  
Lord Hunsley.

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

It was agreed that no alterations 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. Staff Committee -

- A. Minute recommending promotions under the 1936 Classification Scheme and special promotions.
- B. Report on the Annual Reports upon the Clerical Staff at the Head Office and Branches with recommendations for the granting of Personal Salaries and Gratuites.
- C. Report with recommendations in regard to the salaries and positions of certain Officials.
- D. Minute recommending appointments to fill vacancies, etc.
- E. Minute recommending the granting of a pension and a gratuity to [redacted] a Deputy Chief Accountant.
- F. Report with recommendations in regard to Cyril Rogers, an Assistant Principal in the Overseas and Foreign Department.
- G. Report with recommendations in regard to the Bullion Stocks.

15<sup>th</sup> February 1939

168

II. Committee on S. Duke's -

Report on the Annual Reports upon the General Staff at S. Duke's  
Printing Works with recommendations for promotions under the  
1936 Classification Scheme.

It was agreed to recommend to the Court of Directors that, under the provisions of the Trust deed of the Superannuation Fund -

(a) Pensions be granted in accordance with the scale to -

A. W. Hoxley, a Cashier: age 65 years on the 9<sup>th</sup> March 1939: service 14 1/2 years: £563 7/6 a year from the 9<sup>th</sup> March 1939 inclusive.

B. W. Davis, a Grade II Class 1 Clerk in the Accountants Department: age 59 years: service 40 years: £458 6/8 a year from the 11<sup>th</sup> May 1939 inclusive.

Fredrick Harkin, a Temporary Porter: age 65 years on the 9<sup>th</sup> March 1939: service 16 years: £65 a year from the 9<sup>th</sup> March 1939 inclusive.

Edmund Childs, a Deliverer in the Works Department: age 66 years: service 16 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £34 15/6 a year from the 19<sup>th</sup> February 1939 inclusive.

(b) Pensions be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to -

J. R. W. Nodbury, a Grade I Division 1 Clerk in the Cashiers Department: age 59 years: service 38 years: £452 19/6 a year from the 9<sup>th</sup> May 1939 inclusive.

A. D. Braham, a Grade II Class 1 Clerk in the Cashiers Department: age 48 years: service 30 years: £295 17/8 a year from the 1<sup>st</sup> May 1939 inclusive.

(c) An allowance be granted in accordance with the scale to -

Mrs [redacted] Widow of [redacted], formerly an Auxiliary Clerk: £45 a year from the 29<sup>th</sup> January 1939 inclusive, together with a grant of £500 as sole dependent of her husband.

ET 69.07 L 77

The Governor submitted a confidential Report dated the 13<sup>th</sup> February 1939 from the Special Committee on Branch Premises, etc., suggesting that the Manchester Branch should be entirely rebuilt on its present site and that the Chambers attached to the Branch should be used as temporary accommodation during the building operations.

In connection with this Report, it was suggested by the Governors that no part of the Bank's property at Manchester, or at any

other



15<sup>th</sup> February 1939

other Branch where it may be found desirable to rebuild on the existing site, be sold and that any surplus area, including that occupied by Chambers, be retained as an open space with suitable safeguards, thus assuring better light and air to the new premises and improving the conditions in the heart of the City concerned.

Consideration of the Report and of the suggestion arising therefrom was deferred for a week.

The Governor acquainted the Committee of the following matters -

~~167~~  
CT 74

1. With reference to the Minutes of the 25<sup>th</sup> January and earlier, the B.B.C. desired that the series of talks on the City of London which were to be broadcast to the Empire should be subsequently published in the *distinor*. He proposes to agree to the publication of the talk on the Bank of England, a draft of which would be circulated to Members of the Committee before their next Meeting. He proposes also to read the draft after the formal business of the Court shall have been completed on the 16<sup>th</sup> February.

~~167~~  
CT 74

2. He laid before the Committee a copy of the January issue of "*Labour Research*" containing articles criticising the Bank's policy in regard to the steel and cotton industries.

~~167~~  
CT 70-01

3. With reference to the Minutes of the 8<sup>th</sup> February and earlier, the Bank's legal adviser had now obtained Counsel's opinion regarding the suggested amendment of By-Law 13. The Governor proposes that copies of this opinion be circulated to Members of the Committee of Treasury and considered at their next Meeting.

In order that sufficient time might be given for a complete understanding of all the points at issue the Governor proposed to suggest to the Court of Directors that, although formal resolutions would be submitted as soon as possible for their consideration, they should not be brought before the Proprietors until the September General Court. In the meantime opportunity would be given if required for the questions to be discussed informally in Court.

The Committee concurred.

Wednesday, the 22<sup>nd</sup> February 1939

Present

A full Committee

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

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

The following were submitted

1. Weekly Reports on Central Banks.
2. Draft Minutes of the February 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 January, and on Special Advances, etc.
4. Report of the Staff Committee regarding arrangements which had been made to meet various stages of emergency at all the Bank's premises.
5. Half-yearly Report of the Committee on the Permanent Budget of Expenditure.

~~155~~  
~~160~~  
N/E

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

1. Staff Committee:
  - (a) Report concerning [redacted], a Grade II Class 3 Clerk, with recommendations that he be granted exceptionally a pension of £80 a year.
  - (b) Report with recommendations concerning [redacted], a Grade II Class 3 Clerk.
2. Committee on Advances and Discounts:
  - (a) Report on the Bank's business during the past year in regard to Advances and Discounts.
  - (b) Minute recommending the renewal of facilities to [redacted] and to [redacted] in connection with the repayment of advances, etc.
  - (c) Minute recommending the re-opening of a discount Account.
3. Accounts of the Works Department for the half-year ended the 30<sup>th</sup> November 1938.

With reference to the Minute of the 15<sup>th</sup> February the Committee further considered the confidential Report to the Governors

1939

22nd February 1939

CT 69.07 + 770

from the Special Committee on Branch Premises, etc., dated the 16<sup>th</sup> February 1939, suggesting that the Manchester Branch should be entirely rebuilt on its present site and that the Chambers attached to the Branch should be used as temporary accommodation during the building operations.

It was agreed to recommend to the Court of Directors -

1. That the above suggestion be adopted.
2. That no part of the Bank's property at Manchester, or at any other Branch where it may be found desirable to rebuild on the existing site, be sold and that any surplus area including that occupied by Chambers, be retained as an open space with suitable safeguards, thus assuring better light and air to the new premises and improving the conditions in the heart of the Cities concerned.

It was also agreed to recommend to the Court of Directors that A. S. Craig, the Auditor, be appointed Auditor of the Bank Provident Society on behalf of the Court in the room of William Axten, who has been appointed Principal of the Drawing Office.

The Governor acquainted the Committee of the following matters -

176  
CT 39.02

1. With reference to Minutes of the 17<sup>th</sup> November 1937 and earlier, questions would arise in the near future which would probably require the consideration of the Chinese Bondholders Committee. The names of those comprising the Committee, which had for some time been in abeyance, were reviewed and it was agreed that no change in membership appeared to be necessary.

1645  
CT 108

2. He had recently discussed with the Chancellor the difficult situation created by the granting of credits by the Export Credits Department to countries which were in default in respect of payments to Bondholders. This was a matter in regard to which the Foreign Office as well as the Treasury were concerned, a fact which in itself rendered the problem more difficult of solution.



22<sup>nd</sup> February 1939

He hoped, however, to be able to arrange for some five or six interested persons to meet the Chancellor for a discussion of the points involved.

185A  
1812  
CT-44

3. Mr Osborne wished to make an extended tour in North America accompanied by A. J. Crick, a member of the Staff of the Overseas and Foreign Department: he had suggested leaving on the 10<sup>th</sup> May and being away for about two months.

The Governor proposes to agree with the suggestion on the understanding that visits and contacts in the United States, particularly in Washington, would be made only if they were in accordance with the ideas of Mr Harrison and met with his full agreement. Except for the contact with the Federal Reserve Bank, the visit would be entirely unofficial and discussions on political subjects, including the "War Debt", would be barred.

The expenses of the tour would be met by the Bank.

1845  
CT 50 04

4. The estimated profits for the current half-year, after allowing for all charges and making provision for a dividend of 6 per cent. less Income Tax, amounted to £416,000. Of this sum, approximately £15,000 would be required to write off the amount expended during the half-year on Mechanization Equipment, St. Lukes Printing Works and the new Pavilion at the Rochester Sports Ground.

There was thus left an estimated disposable surplus of some £400,000, which he proposed should be allocated as follows, viz:-

To be carried to a new Suspense account to make provision for replacements, etc, in respect of Premises and Equipment:-

(a) for alterations and additions

necessitated by R.R., etc. £ 100,000

(b) for future replacement of

Engineering and other Plant. 50,000 £ 150,000.

To be carried to Suspense Account: Provision for

Grants Farmers, etc. £ 250,000.

Any balance to be carried to Suspense Account No. 1.

1870  
NE

1870  
CT 70 01

5. With reference to Minutes of the 15<sup>th</sup> February and earlier, it was provisionally agreed that a recommendation be made

22<sup>nd</sup> February 1939

made in due course to the Court of Directors that there be submitted to the Half-yearly General Court in September next an amendment of By-Law 13 which will authorise in a form to be approved by the Bank's Legal Advisers-

1. The placing of an annual sum of £60,000 at the disposal of the Court of Directors to cover both remuneration and pensions to those members of the Court whose exclusive services have been engaged.
2. The creation and maintenance from this annual sum of an external fund from which such pensions may be granted.

*John*  
Feb 22

Wednesday, the 1<sup>st</sup> March 1939

Present-

The Governor  
Lord St. Aust.  
Mr. Whigham  
Mr. Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hynley

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

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

The following were submitted-

1. Weekly Reports on Central Banks
2. Monthly 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 Mr. Walker, a Grade I Division 3 Woman Clerk: age 50 years on the 19<sup>th</sup> March 1939: service 21 years: £125 a year from the 19<sup>th</sup> March 1939 inclusive.

CR. 69.02 + 285  
1939

With reference to the Minute of the 2<sup>nd</sup> February 1938 regarding an extension of the Bank's Luncheon Club premises, a note of the 27<sup>th</sup> February was considered regarding the payment of compensation to certain tenants in Dorchester Buildings whose sub-leases expire at varying dates up to 1943.

The Committee agreed to the payment by Linsbury Offices Ltd. of compensation not exceeding a total of £10,000, the

1<sup>st</sup> March 1939

requisite sums to be advanced by the Bank to the Company as required.

The Governor acquainted the Committee of the following matters-

~~1076~~  
CT 113

1. With reference to Minutes of the 15<sup>th</sup> September 1937 and earlier, there were still some six firms in the Discount Market whose capital and reserves were inadequate for their books or for the business they should be prepared to undertake. He proposed that no accommodation should be given these firms at "best rates" and that the actual rate to be charged should be decided only when application for accommodation is made: as regards security for loans, a 10% margin would be required on Bonds with return two to five years to run, including  $4\frac{1}{2}\%$  Commission down: it would be stipulated that the total of such Bonds held by any one of these firms should not exceed twice the amount of its capital and reserves.

~~1075~~  
CT 134

2. With reference to the Minute of the 13<sup>th</sup> September 1935, he proposed that the sums advanced from time to time by the Bank in order to discharge the liabilities of the firm of Frederick Huth & Co. should no longer be treated as a "Special Advance" as the need for this particular form of security no longer obtained.

CT 189 ~~1658~~  
CT 171 ~~1637~~

3. With reference to the Minutes of the 8<sup>th</sup> February and earlier, he laid before the Committee a note dated the 21<sup>st</sup> February on "Industrial Rationalisation" and the future of the B.I.D. and the S.M.T.

The main questions to be decided at this

stage were-

- (a) Should the B.I.D. go into liquidation in 1940 when its life will come to an end unless renewed by Special Resolution;
- or (b) Should steps be taken to continue the life of the B.I.D. with such changes in the structure, shareholding and management as would enable the Company to meet the legitimate demands of industry in an adequate and proper manner.

After discussion consideration of these questions was postponed until the next Meeting.

CT 45 ~~1616~~  
CT 113-03 ~~1745~~

In considering the extent to which the Bank should be prepared in future to meet the possible needs of industry, the Governor asked the Committee to bear in mind the possible requirements



1<sup>st</sup> March 1939

requirements of House involved in the German Standstill, as their position might be rendered difficult by reason of the recent changes at the Reichsbank.

ct 16 ~~1897~~~~1898~~

1. With reference to the Minute of the 2<sup>nd</sup> March 1938, he had again approached Whitehall regarding the suggested visit of a representative from the Bank of England to the Bank of Japan in Tokio.

ct 70 01 ~~1899~~

5. He laid before the Committee a letter from the Bank's legal advisers, together with the opinion of Council, in regard to the suggested alteration of By-law xiii, consideration of which was deferred until the next Meeting.

*Set*

### Present

The Governor  
Lord S. Aust  
Mr. Whigham  
Mr. Stoddart  
Lord Stamp  
Sir Edward Peacock  
Lord Almoncy.

Wednesday, the 8<sup>th</sup> March 1939

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

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

The Weekly Reports on Central Banks were submitted.

The Accounts of S. Lukis Printing Works for the half-year ended the 30<sup>th</sup> November 1938 were 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 A.H. Aume, a Principal in the Accountants Department: age 65 years on the 28<sup>th</sup> March 1939: Service 16 years: £866-13-4 a year from the 28<sup>th</sup> March 1939 inclusive.

2. That the Agent of the Liverpool Branch be authorised to make a donation of 10 guineas to the Liverpool Personal Service Society on the understanding that the Bank's name is not disclosed.

8<sup>th</sup> March 1939

3. That, in compliance with the request of His Majesty's Treasury, a Sterling Account in connection with the proposed Chinese Stabilisation Fund be opened in the Drawing Office.

+739  
CT 70 01

With reference to Minutes of the 1<sup>st</sup> March and earlier, the letter from Messrs Freshfields, Leese and Stunns and copy opinion of Council as to a suggested amendment of By-Law 13 were again considered and it was agreed that the following be submitted for the approval of the Court of Directors-

1. Draft resolution to be proposed at the Half-Yearly General Court in September next.
2. Draft advertisement of the General Court.
3. Draft notice to those Proprietors to whom in the usual course notices of General Courts are sent.

In regard to the proposed amendment of By-Law 13, it was agreed that a draft of the speech to be read to the General Court in explanation of the resolution should be submitted to the Court of Directors in due course.

+553  
+639  
CT 171  
CT 189

With reference to Minutes of the 1<sup>st</sup> March and earlier as to the Bank's policy in regard to the S.L.S., it was agreed after discussion to consider the future of the Company at subsequent Meetings on the basis of a continuation of its life for a period of not less than ten years, increasing its available resources to, say, £25 million with the co-operation of the Bankers, and with such changes in the structure, shareholding and management as would enable the Company to meet the legitimate demands of industry in an adequate and proper manner.

+876  
CT 168

With reference to Minutes of the 3<sup>rd</sup> March 1939 and earlier regarding the expenses of the Council of Foreign Bondholders, the Governor acquainted the Committee that so far as could be estimated, the accounts at the close of the present year <sup>on the present basis</sup> would show a deficit of some £5,000 which would be increased to at least £10,000 at the end of 1940. This position was due to a fall in income from fees, investments and rents and to increased expenditure chiefly on account of the widening sphere of the Council's work.

The arrangement referred to in the Minute of the 14<sup>th</sup> March 1936, under which a sum of £6000 a year is paid to the Council, comes to an end in December 1940 and it would therefore not be feasible at this stage to approach the various parties to the arrangement

8<sup>th</sup> March 1939

arrangement with a request for increased subscriptions.

The Governor accordingly proposed that the Bank should themselves agree to pay sums of, say, £5,000 in 1939 and 1940 in addition to their present annual subscription of £1,000. Before the end of 1940 he would endeavour to enter into a fresh arrangement with the Bankers and other interested parties with a view to meeting the Council's needs over a period of years.

*See 2*

Present-

The Governor  
The Deputy Governor  
Lord Balfour  
Mr Wingham  
Mr Headstone  
Lord Stamp  
Sir Andrew Duncan  
Lord Hurdley.

Wednesday, the 15<sup>th</sup> March 1939-

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

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

The Weekly Reports on Central Banks were submitted.

The Annual Reports on the Clerks' Guarantee Fund, Special Pensions Reserve Fund and the Samaritan Fund were submitted and referred to the Court of Directors.

The Accounts of the Bank for the half-year ended the 28<sup>th</sup> February 1939 were examined and it was agreed to submit to the Court of Directors that they should recommend to the General Court on the 22<sup>nd</sup> March-

That a half-year's dividend of interest and profits be made on the 5<sup>th</sup> April next of 4 1/2 per cent. less Income Tax.

It was agreed to recommend to the Court of Directors that pensions be granted under the provisions of the Trust Deed of the Superannuation Fund -

(a) In accordance with the scale to-

A. L. Murray, a Grade II Class I Woman Clerk: age 46 years: Service 20  
£103-8- 2 year from the 13<sup>th</sup> April 1939 inclusive.



15<sup>th</sup> March 1939

J. A. H. Marshall (Mrs), an Auxiliary Woman Clerk: age 45 years: Service 13 years: £52 a year from the 1<sup>st</sup> April 1939

A. A. Malton, an Inspector at S. Duke's Printing Works: age 61 years: Service 36 years: who, in the opinion of the Bank medical officer, is unfit for further service: £146 14s a year from the 8<sup>th</sup> April 1939 inclusive.

(6) In accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to-

F. S. Legge, a made II Class 1 Clerk in the Cashiers Department and Branches: age 36 years: Service 17 years: £173 6s 8d a year from the 26<sup>th</sup> March 1939 inclusive.

The Governor acquainted the Committee that no business of particular importance had been transacted at the March Meeting of the Board of the Bank for International Settlements, but that Dr. Beyen's intended resignation had been announced, for a date if possible before the normal expiry of his appointment in May 1940.

He had had a long confidential talk with Herr Junk who appeared anxious to continue the friendly and intimate contacts which had existed in the past between the Bank of England and the Reichsbank, although he made it clear that, in all such contacts, it must be recognised that the Reichsbank was now an integral part of the Nazi machine.

As regards the Standstill, Herr Junk considered that arrangements might be facilitated by the steps which were being taken to develop Anglo-German trade, but the Governor pointed out that trade between the two countries, and indeed international trade generally, could not prosper in the absence of "appeasement" between the nations and to this there were at present two major obstacles, Germany's treatment of the Jews and the armaments race.

Herr Junk saw no prospect of settled conditions in the world for some time to come. Although his Government would in no circumstances change their policy in regard to the expulsion of Jews from Germany, he thought this question was capable of settlement by international agreement. But he considered that activity in armaments was making Germany prosperous as well as strong and the race must continue, although he foresaw a point where England would see the need of coming to terms with Germany who were in the stronger position owing to their totalitarian controlled economy.

ET 100 01  
1878  
(14)

ET 45  
1878  
ET 100 (27)

Present

A full Committee.

Wednesday, the 22<sup>nd</sup> March 1939.

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

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

The following were submitted:-

Weekly Reports on Central Bank.

Draft Minutes of the March Meeting of the Board of the B.I.S.

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

A Report of the Committee on S'Luak's with a recommendation regarding the Bowling Green at the S'Luak's Sports Ground was submitted and referred to the Court of Directors.

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:-

E. J. Marples. an Auxiliary Woman Clerk: age 50 years on the 1<sup>st</sup> April 1939: service 21 years: £84 a year from the 1<sup>st</sup> April 1939 inclusive.

E. J. Duck, Assistant Woman Superintendent, Printing Section, S'Luak's Printing Works: age 60 years on the 1<sup>st</sup> April 1939: service 22 years: £60-7-6 a year from the 1<sup>st</sup> April 1939 inclusive.

The Committee considered questions arising from the proposed amendment of By-Law 13.

The Governor acquainted the Committee of the following matters:-

1. He had received a telephone message from the Governor of the Bank of France proposing that they should urge

CT 70.01

1898  
CT 100.07 (5)  
CT 46 164

22<sup>nd</sup> March 1939

their respective Members to make a joint protest to the President of the B.I.S. against the possible delivery of Czech assets to the Germans or to a German-controlled Czech Bank, and should themselves join in making a specific request to the President of the B.I.S. to transfer no Czech assets pending the next Meeting of the Board in Basle.

He considered that it would be wrong and dangerous to the future of the B.I.S. for any Member of the Board, particularly from a National standpoint, to attempt for political reasons to influence decisions of the President of the B.I.S. on matters which were entirely within the President's jurisdiction. He had therefore declined both proposals.

1879  
CT 188

2. With reference to Minutes of the 8<sup>th</sup> February 1939 and earlier, a report had now been received from Sir William Sirth's personal Auditors as to his financial position. It appeared from the Report that the purchase of Sir William Sirth's holding of 1<sup>st</sup> Mortgage Debenture Stock of Richard Thomas and Co. Ltd. at 99½ would enable him to make satisfactory arrangements with his bankers and to discharge his Income Tax and Surtax liabilities up to the end of the present year.

The Committee thereupon agreed that -

1. The Bank should purchase the debentures at 99½ subject to undertakings being received from Sir William Sirth as set out in the draft approved by the Bank's Legal advisors which was laid before the Committee.
2. No special conditions should be imposed in regard to Sir William Sirth's contractual or financial position as Chairman and Managing Director of Richard Thomas and Co. Ltd.
3. The greatest possible measure of secrecy should obtain and the arrangements should not be reported to the Court of Directors. To ensure that the Bank's name is not disclosed, the Governor proposed to arrange for the debentures to be purchased through a Member of the Court and to be held by his firm in one way or another as Nominees of the Bank.

1859  
CT 33

3. Sir Otto Niemeyer and Sir Bartram Hornsby had, with his approval, gone to Cairo to represent the London Committee of the National Bank of Egypt in regard to questions which had arisen concerning the National Bank's charter.

CT 45  
1876

4. He laid before the Committee his letter of the 18<sup>th</sup> March to Sir ~~Signatator~~ Stewart regarding Dr Senaecht's proposed visit to India. The India Office



Proceedings.

The Deputy Governor

Lord S. Just

Mr. Wingham

Mr. Gladstone

Lord Stamp

Sir Andrew Duncan

Sir Bannard Keock

Lord Hurdley

Wednesday, the 29<sup>th</sup> March 1939

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

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

The following were submitted:-

1. Weekly Reports on Central Banks
2. Monthly letter to Dominion Central Banks

It was agreed to recommend to the Court of Directors that, under the provisions of the Trust Deed of the Superannuation Fund -

- (a) A pension be granted in accordance with the Scale to -  
A. W. Taylor, Leading Electrician in the Works Department:  
age 65 years: Service 23 years: £99 19s 8d a year from the 29<sup>th</sup> April 1939 inclusive.
- (b) An allowance be granted in accordance with the Scale to -  
Mrs. [redacted] Widow of [redacted] a pensioner, formerly a 2<sup>nd</sup> Class Clerk in the Dividend Office: £70 a year from the 26<sup>th</sup> November 1937 inclusive.

1739  
CT 70.01

Questions arising from the proposed amendment of By-law XII were again considered and the Secretary was instructed to prepare, for submission to the Committee, drafts of a Trust Deed and Regulations in regard to the payment of pensions to Members of the Court who shall have rendered exclusive service to the Bank.

163.  
CT 69.13

The Deputy Governor laid before the Committee a Note dated the 29<sup>th</sup> March asking for authority to open negotiations with a view to securing an option on a property known as Hurstbourne Park, Whitechurch, Hampshire, for the purpose of housing a number of the Staff in certain circumstances.

It was agreed that the negotiations should be opened but that, in the meantime, particulars should be sought of any other suitable properties which might be available.

Present-

The Deputy Governor  
Mr. Whigham  
Mr. Gladstone  
Lord Stamp  
Sir Andrew Duncan  
Sir Edward Peacock  
Lord Hunsley.

Wednesday, the 5<sup>th</sup> April 1939

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

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

The Weekly Reports on Central Banks were submitted.

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 6<sup>th</sup> April.

That the Voting take place at the Court on the 20<sup>th</sup> April and that Directors who so desire be allowed to record their Votes after making their Declaration of Office on Wednesday, the 19<sup>th</sup> April.

That the Votes be counted after Court on the 20<sup>th</sup> April, and

That the Standing Committees be appointed on Thursday, the 27<sup>th</sup> April.

It was agreed to recommend to the Court of Directors that pensions be granted under the provisions of the Trust Deed of the Superannuation Fund -

(a) In accordance with the scale and under the terms of an Order of Court of the 14<sup>th</sup> May 1936 to -

J. J. Parry, a Grade II Class 1 Clerk in the Cashier's Department and Branches: age 61 years: service 42 years: £488 6s 8d a year from the 1<sup>st</sup> July 1939 inclusive.

(b) In accordance with the scale to -

E. P. Himmer, an Auxiliary Woman Clerk: age 50 years on the 19<sup>th</sup> April 1939: service 20 years: £80 a year from the 19<sup>th</sup> April 1939 inclusive.

H. A. Ramedale, an Auxiliary Woman Clerk: age 60 years: service 20 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £80 a year from the 1<sup>st</sup> May 1939 inclusive.

5<sup>th</sup> April 1939

The Deputy Governor acquainted the Committee of the following matters -

+772  
CT 185

1. With reference to Minutes of the 22<sup>nd</sup> March and earlier, the arrangements in regard to the purchase of Sir William Guth's holding of First Mortgage Debenture Stock of Richard Thomas and Co. Ltd. had been satisfactorily concluded.

+677  
CT 86

2. He had heard from the Governor of the South African Reserve Bank that N. de Kock was on his way to this country and would be at the Bank on the 17<sup>th</sup> April.

+65.  
CT 6913.

With reference to the Minute of the 29<sup>th</sup> March regarding the provision of accommodation for certain offices of the Bank for use in the event of National Emergency, Mr. Holland-Martin attended and laid before the Committee alternative suggestions as set out in a note dated the 4<sup>th</sup> April.

After discussion, it was left to the discretion of the Governors either to lease or to purchase a suitable property.

See 3.

Wednesday, the 12<sup>th</sup> April 1939

Present:-

The Deputy Governor  
Mr. Whigham  
Mr. Glasstone  
Sir Edward Peacock  
Dora Hynodley

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

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.

The Deputy Governor acquainted the Committee of the following matters -

CT. 37 +659

1. It had been arranged in agreement with



12<sup>th</sup> April 1939

184

the Governor of the Bank of Canada that Osborne should leave on the 15<sup>th</sup> April on a visit to Canada on behalf of His Majesty's Treasury. His Majesty's Government had already a number of contracts open in Canada and they were anxious to ascertain what arrangements could be made with the Canadian Government both as regards borrowing and the purchase of commodities, either now or in the event of war.

In order to avoid publicity, it had been agreed that Osborne, as the Bank's Canadian expert, should make the visit: his proposed tour in the United States of America, referred to in the Minute of the 22<sup>nd</sup> February, had for the time being been cancelled.

1572  
CT 44

165  
CT 69.13

1. With reference to the Minutes of the 5<sup>th</sup> <sup>April</sup> ~~March~~ and earlier, he laid before the Committee a note of the 12<sup>th</sup> April setting out the terms on which it had been agreed to obtain an option of a lease of ~~at~~ Hurstbourne Park and to secure an immediate lease of adjoining land.

1626  
CT 15

2. At the request of His Majesty's Treasury he had arranged for [redacted], a Member of the Staff of the Chief Cashier's Office, to act as a technical adviser to Sir Frederick Leith-Ross, who was shortly proceeding to Roumania at the head of a Trade Mission.

Wednesday, the 19<sup>th</sup> April 1939

Present

Full Committee

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

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 March

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

1. Staff Committee -  
(a) Minute recommending appointments, etc.

19<sup>th</sup> April 1939

- (b) Report with recommendation in regard to a Woman Clerk.
- (c) Report with recommendation in regard to Allowances to Widows of Clerks and Pensioners.
- (d) Report with recommendation in regard to the R.A.F. Volunteer Reserve (Pilot Section).
- (e) Report with recommendation in regard to the Bank's liability as to the wages of an employee during sickness.
- (f) Report recommending the election of twenty nine Probationary Male Clerks to the Permanent Staff, etc.
- (g) Quarterly Report regarding wages, pensions, etc.
2. Committee on S' Luk's -  
Report recommending the granting of an Allowance.
3. Special Committee on Branch Premises, etc.  
Recommendation regarding Bankers' Buildings and an extension of the Committee's terms of reference.

CT 69.07 1970  
CT 69.02 1970

It was agreed to recommend to the Court of Directors -

1. That a pension be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 and under the provisions of the Trust Deed of the Superannuation Fund to -  
R. H. Johnson, a Grade II Class 1 Clerk in the Cashier's Department and Branches, age 38 years, service 17 years (1921-38) a year from the 1<sup>st</sup> May 1939 inclusive.
2. That authority be given to the Principal and Deputy Principal of the Foreign Exchange Section to sign "for the Chief Cashier" routine letters emanating from the Foreign Exchange Section and to countersign "for the Chief Cashier" letters ordering payments and movements of gold and securities from the accounts abroad in the name of the Bank of England.
3. That the three keys (together with their duplicates) of the Directors' Safe "A" in the Committee Room on the first floor, containing the Seal of the Corporation, and of Directors' Safe "C" in the room on the ground floor occupied by the Governor's Private Secretary, be kept as follows -
 

No. 1. keys	by the Governor
No. 2. keys	by the Executive Directors
No. 3. keys	by a Director other than an Executive Director, who, after use, shall hand them, each in a sealed envelope, to the Secretary for safe custody.

185  
N/E

17<sup>th</sup> April 1939

~~165~~  
CT 56  
CT 69 13

186

With reference to the Minute of the 28<sup>th</sup> December 1938, the Deputy Governor reported that he had agreed to the proposal of the Committee on S' duhi's that instructions be given for the completion as soon as possible of Shadow Factory "B" at Overton.

The Governor acquainted the Committee of the following matters:-

CT 45 ~~1844~~  
CT 113 03 ~~1845~~  
CT 113 01 ~~1846~~

1. With regard to recommendations for the appointment of committees for the ensuing year, which would be submitted at the next Meeting, he proposed that no member of the Court who was directly concerned in the Standstill position should, in the present circumstances, be appointed to the Committee on Advances and Discounts.

~~1847~~  
Office F.O. P.30

2. He had agreed that Mr Clay should accept the invitation from the National Institute of Economic and Social Research to act as Deputy Chairman of the Council.

~~1848~~  
CT 33

3. With reference to the Minute of the 22<sup>nd</sup> March in regard to the new Charter of the National Bank of Egypt, he laid before the Committee a private and personal letter of the 3<sup>rd</sup> April which he had received from the Governor of the National Bank of Egypt and his reply of the 17<sup>th</sup> April.

~~1849~~  
CT 45

4. In view of paragraphs which had appeared in the Press regarding Dr Schacht's visit to India, he referred to the Minute of the 22<sup>nd</sup> March and laid before the Committee a personal letter he had written to Dr Schacht prior to his departure, and the reply thereto.

~~1850~~  
CT 168

5. With reference to Minutes of the 8<sup>th</sup> March and earlier, he had arranged that, in addition to their present annual subscription of £1,000 towards the expenses of the Council of Foreign Bondholders, the Bank should pay a further sum of £4,000 in respect of the current year, and an additional sum of £5,000 for the year 1940.



Members of the  
Committee of Treasury

for the year 1939/40

(Elected 20<sup>th</sup> April 1939)

The Governor

The Deputy Governor

Mr. Whigham

Mr. Gladstone

Lord Stamp

Sir Andrew Duncan

Sir Edward Peacock

Lord Hymalay

Mr. Bernard.

Wednesday, the 26<sup>th</sup> April 1939.

Present-

A full Committee.

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

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 pensions be granted under the provisions of the Trust Deed of the Superannuation Fund -

(a) In accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to -

W. J. Ramsey, a Principal in the Accountants' department - age 56 years: Service 36 years: £717.12/- a year from the 1<sup>st</sup> August 1939 inclusive.

(b) In accordance with the Scale to -

C. S. Wilson, a Grade II Class 1 Clerk at the Manchester Branch: age 40 years: Service 17 years: who, in the opinion of the Bank Medical Officer, is unfit for further service. £145.1.8 a year from the 12<sup>th</sup> April 1939 inclusive.

26<sup>th</sup> April 1939

188

- W. E. Hazell, an Auxiliary Woman Clerk: age 49 years: service 20 years: £80 a year from the 1<sup>st</sup> June 1939 inclusive.
- Julius Joseph, an Auxiliary Woman Clerk: age 42 years: service 20 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £80 a year from the 1<sup>st</sup> June 1939 inclusive.
- W. J. Griffiths, a Labourer in the Works department: age 65 years: service 20 years: £54-6-6 a year from the 13<sup>th</sup> May 1939 inclusive.

2. (a) That Mr E. Holland-Martin, Sir O. E. Nimmeyer and Mr C. J. Cobbold be appointed Executive Directors for the current year,

and

(b) That the following proposals be adopted for the payment of special remuneration for the current year (in addition to their normal fees) to Members of the Court whose exclusive services are engaged by the Court:-

- i. Mr B. J. Callens, the Deputy Governor  
to be paid at the rate of £5,000 a year.
- ii. Mr E. Holland-Martin:  
to be paid at the rate of £4,500 a year.
- iii. Sir O. E. Nimmeyer:  
to be paid at the rate of £6,500 a year.
- iv. Mr C. J. Cobbold:  
to be paid at the rate of £4,500 a year.

3. That the following Committees, etc., be appointed for the current year, viz:-

Committee on Advances and Discounts.

Mr Gladstone  
Mr Bernard  
Mr Hanbury-Williams  
Sir Otto Nimmeyer

Staff Committee.

Mr Holland-Martin  
Mr Lubbock  
Mr Booth  
Mr Hanbury-Williams  
Mr John Martin  
Sir Otto Nimmeyer  
Mr Cobbold

Committee on S. L. R. S.

26 April 1939

Committee on St Luke's

Mr Millicorth  
 Mr Hambro.  
 Mr Holland-Martin  
 Mr Hanbury-Williams  
 Mr Cobbold.

Credit Committee.

Mr Kilson  
 Mr Cooper  
 Sir Otto Niemeyer  
 Mr Cobbold.

Committee to consider the Securities of certain Funds.

Mr Wigham  
 Mr Hambro  
 Mr Cobbold.

Committee on the Permanent Control of Expenditure

Lord Hymetley  
 Lord Craigville  
 Mr Holland-Martin  
 Sir Otto Niemeyer.

Special Committee on the Rebuilding of the Bank.

Mr Booth  
 Mr Gladstone  
 Mr Holland-Martin  
 Mr Weir.

Special Committee on Branch Premises, etc.

Mr Kilson  
 Mr Holland-Martin  
 Mr Bernard.

Visits to the Branches.Manchester and Liverpool.

Mr John Martin  
 Mr Cobbold.

Birmingham.

Mr Tompkins  
 Sir Otto Niemeyer.

Newcastle

Mr Cooper  
 Sir Otto Niemeyer.

Leeds

Mr Weir  
 Mr Cobbold.

Bristol and Plymouth

Mr Banks.  
 Law Courts  
 Sir Robert Henderson.



26<sup>th</sup> April 1929

The Governor acquainted the Committee of the  
following matters -

190

4007  
CT 123

1. With reference to the Minute of the 30<sup>th</sup> November 1938, he had re-opened the question of purchases by the Bank of England of the holdings of small British shareholders of the Anglo-International Bank, as he wished to assist the Chairman in any way possible. Sir Britram Hornsby had, however, written to him on the 21<sup>st</sup> April to say that in the present circumstances he did not consider such purchases to be either practicable or necessary.

4553  
4607  
CT 171  
CT 189

2. With reference to Minutes of the 8<sup>th</sup> March and earlier, he considered that in view of the international situation it would be impracticable to come to a decision now as to the future of the Bankers' Industrial Development Company and the appointment of Industrial Advisors to the Bank. He therefore proposed that these questions remain in abeyance for the time being.

Pending any substantial revival of the business of the Bankers' Industrial Development Company and of the Securities Management Trust Ltd it would be both economical and convenient if both companies were to vacate their present offices in Bank Buildings and were transferred to their registered Offices at 5 London Wall Buildings. He proposed that the necessary arrangements be made with the Secretary of the Companies subject to agreement with Sir Nigel Campbell as alternate Chairman of the Bankers' Industrial Development Company.

4678  
CT 100-01 70

3. With reference to the Minute of the 8<sup>th</sup> April 1936, he had advised the President that he wished to re-appoint Sir Os Guinness as a Director of the Bank for International Settlements under the provisions of Article 28 (2) of that Bank's Statutes.

CT 192 02 4676

HCBM

4. With reference to Minutes of the 29<sup>th</sup> April 1936 as to the arrangements with Mr. Walter Taylor in regard to the Newfoundland <sup>Shore</sup> ~~Shore~~ Company for the three years ending the 31<sup>st</sup> August next, he proposed to renew the agreement for a further period of three years, thus covering the crucial date when control might pass to the preference shareholders.

His Majesty's Treasury were prepared to continue their secret participation in this arrangement for at least one year.

HCBM  
Secy.

Present:-

The Governor  
 The Deputy Governor  
 Mr. Hughes  
 Lord Stamp  
 Sir Andrew Duncan  
 Sir Edward Peacock  
 Lord Hunsley  
 Mr. Bernard

Wednesday, the 3<sup>rd</sup> May 1939

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

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

The following were submitted:-

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

It was agreed to recommend to the Court of Directors-

1. That, under the provisions of the Trust Deed of the Superannuation Fund-

(a) A pension be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to-

A. H. Lea, a Grade II Class 2 Clerk in the Chief Accountants Correspondence Office: age 32 years: Service 16 years: £156 13s 6d a year from the 1<sup>st</sup> June 1939 inclusive.

(b) Pensions be granted in accordance with the scale to-  
 Margaret Clarke, a Grade I Division 3 Woman Clerk: age 48 years: Service 23 years: £122 10s a year from the 1<sup>st</sup> June 1939 inclusive.

E. S. Bowden, a Grade II Class 2 Woman Clerk: age 30 years: Service 12 years: who, in the opinion of the Bank Medical Officer, is unfit for further service: £508 a year from the 1<sup>st</sup> June 1939 inclusive.

A. E. Moore, an Auxiliary Woman Clerk: age 50 years on the 21<sup>st</sup> May 1939: Service 20 years: £80 a year from the 21<sup>st</sup> May 1939 inclusive.

(c) Allowances be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> April 1939 to-

Mrs. [redacted], Widow of [redacted], a Pensioner, formerly a Principal in the Accountants Department: £75 a year from the 22<sup>nd</sup> October 1936 inclusive.

Mrs. [redacted], Widow of [redacted], a Pensioner, formerly a 1<sup>st</sup> Class Clerk in the Accountants Department: £85 a year from the 28<sup>th</sup> June 1936 inclusive.

3<sup>rd</sup> May 1939

192

Mrs. [redacted], Widow of [redacted], a Senevener, formerly a compositor at S. Luke's Printing Works. £26 a year from the 1<sup>st</sup> March 1936 inclusive, the date of the establishment of the Superannuation Fund.

(b) An allowance be granted in accordance with the scale to Mrs. [redacted], Widow of [redacted], formerly an Inspector at S. Luke's Printing Works. £26 a year from the 2<sup>nd</sup> April 1939 inclusive, together with a grant of £256<sup>1</sup>/<sub>2</sub> as sole dependent of her husband.

2. That the following appointments be made as from the 1<sup>st</sup> May 1939 inclusive-

S. Instapley, the Secretary, to be a Chief Accountant, jointly with a bookkeeper, at a salary of £2500 a year.  
A. C. Wynors, a Deputy Secretary, to be Secretary, with the salary attaching to the post.

The Governor acquainted the Committee of the following matters-

+ 7.39  
270 01

1. With reference to Minutes of the 29<sup>th</sup> March and earlier, he laid before the Committee papers concerning questions which arose from the suggested amendment of By-Law XIII, consideration of which was deferred to a later Meeting.

+ 8.25  
SEC. 10

2. With reference to the Minute of the 25<sup>th</sup> September 1935, certain Officials of His Majesty's Treasury had again mentioned the difficulties that they were experiencing owing to shortage of staff and had asked whether the Bank were able to assist them by seconding someone from their own staff for an indefinite period. Although as in the past the Governor was prepared to provide technical assistance from the Bank for any specific purpose, he was opposed to any member of the Bank's staff becoming in effect a temporary Treasury official, for such reasons as the following:-

(a) It would suggest an interchangeability between the staff of the Treasury and of the Bank and thereby set up a dangerous precedent.

(b) In the event of a difference of opinion with the Treasury the Bank might find themselves criticising a Member of their own staff.

(c) The man himself might be in a difficult position because of

his



2<sup>nd</sup> May 1934

his divided allegiance.

(a) If the man were away for a long period difficult questions might arise as to his seniority in the Bank's service.

The Governor therefore hoped that no more would be heard of the present approach, but if the question were again raised, he proposed to say that the Bank were unwilling to afford such assistance.

~~4889~~  
CT 35

3

He laid before the Committee a cable from the Governor of the Reserve Bank of New Zealand regarding Mr. Nash's forthcoming visit to this country.

~~476~~  
CT 39.03

4

With reference to the Minute of the 8<sup>th</sup> February regarding the terms and conditions under which Rogers was continuing his work in China with the assistance of a Shorthand-Typist from the Staff of the Bank, Rogers now wished for further help which the Governor thought should be granted subject to the consent and with the support of Whitehall.

This might mean that, in addition to a man from the Bank's Staff, a second Shorthand-Typist would also be required and he proposed that anyone undertaking this work should, as in the case of Rogers, be completely detached from the Bank except for the right of re-instatement in the Bank's service when the work should come to an end.

~~4897~~  
CT 16

5

With reference to the Minutes of the 1<sup>st</sup> March and earlier, he had heard with regret on the 21<sup>st</sup> April from the Chancellor that the Foreign Office and Lord Halifax personally were opposed to his suggestion that a member of the Bank's Staff should pay a courtesy visit to the Bank of Japan in Tokio.

ACBM  
Secy.

Wednesday, the 10<sup>th</sup> May 1939

Present-

A full Committee

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

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 S. duha's with a recommendation for the sealing of a Counterpart lease between Portals Ltd and the Bank relative to land at Overton and the erection thereon of two "Shadow" Factories was submitted and referred to the Court of Directors.

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

1. Under the provisions of the Trust Deed of the Superannuation Fund-

(a) A pension be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> October 1938 to-

L. E. Calvert, a Grade 1 Division 2 Clerk in the Accountants' Department - age 39 years. Service 19 years - £185 a year from the 1<sup>st</sup> August 1939 inclusive.

(b) A pension be granted in accordance with the scale to -  
J. H. Moore, an Inspector at S. duha's Printing Works - age 65 years. Service 39 years - £150.5 - a year from the 30<sup>th</sup> May 1939 inclusive.

(c) An allowance be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> April 1939 to-

M<sup>rs</sup> [redacted] Widow of [redacted], a pensioner, formerly a Senior Clerk in the Accountants' Department - £85 a year from the 28<sup>th</sup> February 1936 inclusive.

2. The Agent at the Newcastle Branch be authorised to make a donation of £250 in response to an appeal on behalf of the Newcastle Voluntary Hospitals.

Questions arising from the proposed amendment of

CT. 90. 01 + 277

10 May 1939

~~187~~  
CT 70-61

of By-Law XIII were again considered, particularly the propriety of making contracts for a term of years with Members of the Court.

The Governor acquainted the Committee of the following matters -

1876  
CT 90-03  
CT 117

1. With reference to Minutes of the 16<sup>th</sup> December 1936 and earlier, Sir John Cautcott, the Chairman of Barclays Bank (S.C. and O) had called to ask whether his Bank would now be allowed to open an account with the Bank of England. The Governor had refused the request on the grounds that the Bank's views with regard to overseas affiliates of the Clearing Banks and the facilities to be afforded to them were unchanged.

1877  
CT 46

2. A Committee had been appointed of representatives of the Council of Foreign Bondholders, the Accepting Assets Committee and the Committee of London Clearing Bankers to represent the interests of British Creditors of Czechoslovakia and to advise the Treasury thereon. Sir Otto Merninger had agreed to serve.

1878  
N/E

3. Monsieur Journier, the Governor of the Bank of France, proposed to pay a visit to London before the end of May.

1878  
CT 100-01

4. He referred to the Annual General Meeting of the S.L.S. at which nothing of particular importance had happened. The question of the Presidency was still unsettled.

ACBAM  
Secy.



Wednesday, the 17<sup>th</sup> May, 1939.

Present:-  
A full Committee.

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

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

The following were submitted -

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

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

1. Staff Committee -

- (a) Minute recommending appointments, &c.
- (b) Report on the Accountants, Cashiers and Secretary's Departments, &c.

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

3. Quarterly Report of the Audit Committee on Audits taken by the Audit Department.

163  
CT 69.13

With reference to the Minutes of the 12<sup>th</sup> April and earlier relating to Emergency accommodation at Hurstbourne Park, the Deputy Governor reported that the leases of Winsome Meadow and of a Store and Yard at Hurstbourne Station from Viscount Lynton had been approved by Messrs. Freshfields and were ready for sealing. Considerable expenditure would be incurred on the provision of huts and a full report would be made as soon as estimates were available.

CT 74 1416  
CT 84.01 1417

The Deputy Governor laid before the Committee a note on the probable movements in the Note circulation, the Reserve and the proportions

17<sup>th</sup> May, 1939

proposition during the remainder of the year.

The Governor acquainted the Committee of the following matters -

CT 38 of 1878

(1) With reference to the Minute of the 24<sup>th</sup> August 1938, he proposed that certain legal expenses which had been incurred in connection with the Fund raised on behalf of Sir George Frankenstein should be paid by the Bank.

N/E 1878

(2) Monsieur Fournier was paying a visit to London during the following week. The Bank were entertaining him at Dinner on Monday.

H. B. M. Secy

Wednesday, the 24<sup>th</sup> May, 1939.

Present:-

The Governor,  
The Deputy Governor,  
Mr. Whigham  
Mr. Gladstone  
Lord Stamp  
Sir Edward Peacock  
Mr. Bernard.

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

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 advances granted under para. 13 Section (b) of the Internal Regulations and Special Advances.

The Governor acquainted the Committee of the following matters -

CT 113. 05 + 346

CT 45 1878

(1) With reference to the Minutes of the 1<sup>st</sup> February, 1939 and earlier, the Governor laid before the Committee a letter which he proposed that the Principal of the Discount Office should send to those Accepting Houses that had German

Standstill



24<sup>th</sup> May  
1939.

Standstill Bills outstanding in the Market. They were to be asked to take up, before the 1<sup>st</sup> November 1939, a further 40% of the "basic" amount, making 70% reduction in all. Such reduction was not to interfere with Bills having 3 (9) status or with future recommercialisations, but the latter were not to increase the total of Standstill Bills in the Market above a certain figure.

L897  
CT 25

(2) The Government of Ecuador having asked the Foreign Office to assist them in finding a British Adviser for the Central Bank of Ecuador, the Foreign Office and the Treasury had pressed the Bank to meet this desire. No suitable candidate could be found outside, and he proposed to send someone from the staff of the Bank provided an approach were made by the Central Bank of Ecuador direct and that the Adviser would be solely responsible to the Central Bank.

L845  
CT 27

(3) With reference to the Minute of the 25<sup>th</sup> January 1939, he had written to the President of the State Bank of the U. S. S. R. on the 22<sup>nd</sup> February, suggesting a visit by representatives of the Bank of England. He had had no answer and the matter might be considered dead. Sir John Russell, the Director of the Rothamsted Experimental Station, was, however, proposing to visit Russia in August with a small party of agricultural experts. The Governor thought it would be useful for L. E. Hubbard to accompany them, if invited, in his private capacity.

CT 46 L874  
CT 100-07 L878  
(5)

(4) With reference to the Minute of the 22<sup>nd</sup> March, he referred to questions in the House of Commons about the reported transfer to the Reichsbank of gold held at the Bank of England by the B. I. S. for account of the National Bank of Czechoslovakia. Quite apart from the Protocols protecting the Assets



24<sup>th</sup> May, 1939.

assets of the B. I. S. in London, the Bank did not know, and had no right to enquire, for whom the B. I. S. held gold in London: and such gold could readily be exchanged by the B. I. S. with gold which they held elsewhere. The Treasury had not asked him or Sir Otto Meißner for information.

CT 113.03 1745

1638  
CT 41

(4) With reference to Minutes of the 3<sup>rd</sup> November 1937 and earlier, he referred to the judgement obtained by Messrs. Kleinwort Sons & Co. in the Court of Appeal on the 23<sup>rd</sup> May, in a matter of Hungarian exchange regulations. If they were successful again on appeal to the House of Lords, the judgement might have far reaching results.

McBML  
Secy.Present:

A full Committee

Wednesday, the 31<sup>st</sup> May, 1939.

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

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, under the provisions of the Trust Deed of the Superannuation Fund -

(a) A pension be granted in accordance with the scale to -

A. V. Smith, a Grade II Class 1 Clerk in the Accountants' Department: age 49 years; service 29 years; who, in the opinion of the Bank Medical Officer, is unfit for further service: £312: 19: 4 a year from the 26<sup>th</sup> August 1939 inclusive.

(b) An allowance

3<sup>rd</sup> May, 1939

(b) An allowance be granted in accordance with the scale to -

Mrs. [redacted]

Widow of [redacted] a Pensioner, formerly  
an Auxiliary Worker: £55 a year from the  
13<sup>th</sup> May, 1939 inclusive, together with a grant  
of £4 26 : 14 : 8 as sole dependent of her  
husband.

The Governor acquainted the Committee of  
the following matters -

Office Files.

(1) The Duke of Kent, as President of King Edward's  
Hospital Fund for London, proposed to appoint a  
President's Powers Committee to act during his absence in  
Australia. The members of the Committee were to be the  
Speaker of the House of Commons, the Governor of the  
Bank and the Earl of Donoughmore.

CT 46 +64

CT 100-07 (5)

(2) With reference to Minutes of the 24<sup>th</sup> May and  
earlier, he reported that he had been approached by  
the Chancellor on the subject of a reported transfer to  
the Reichsbank of gold held in London by the Bank  
for International Settlements for the National  
Bank of Czechoslovakia.

CT 70-01 +739

HBM  
Secy.

(3) Questions arising from the proposed amend-  
ment of By-law XIII were again discussed; and  
it was agreed that no amendment should be  
recommended to the Court of Directors enabling  
contracts to be made with Members of the Court.

Wednesday, the 7<sup>th</sup> June, 1939.

Present:-

The Governor,  
The Deputy Governor,  
Mr Whigham,  
Mr Gladstone,  
Sir Andrew Duncan,  
Sir Edward Peacock,  
Lord Hyndley,  
Mr Bernard.

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

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

The following were submitted -

1. Weekly Reports on Central Banks.
2. Monthly letter to Dominion Central Banks.

It was agreed to recommend to the Court of Directors -

1. That an allowance be granted in accordance with the terms of an Order of Court of the 20<sup>th</sup> April 1939 and under the provisions of the Trust Deed of the Superannuation Fund to -

Mrs. [redacted] Widow of [redacted], a Pensioner, formerly a Bookkeeper in the Accountants Department: £70 a year from the 18<sup>th</sup> July 1938 inclusive.

2. That, in response to an appeal from the Lord Mayor, a donation of 250 guineas be made to the "Thetis" Disaster Fund.

The Governor acquainted the Committee of the following matters -

~~1227~~  
CT. 35.

- (1) With reference to Minutes of the 3<sup>rd</sup> May and earlier, the New Zealand Government were proposing to borrow sterling from the Banks trading in New Zealand, to meet their current difficulties. In this connection he laid before the Committee a letter which he had written on the 1<sup>st</sup> June to Lord Balfour of Burleigh, the Chairman of the National Bank of New Zealand.

CT. 15. ~~1226~~  
CT. 34. ~~1226~~

- (2) With reference to the Minute of the 12<sup>th</sup> April, he laid before the Committee a letter from Sir Frederick Leith-Ross



7<sup>th</sup> June, 1939.

Keith-Alex, conveying his thanks for the services of  
 [redacted] during his recent trade mission to  
 Roumania, and of [redacted] during his visit to  
 Athens.

1939  
 N/E sec  
 Official 1870

HCBM  
 Secy

(3) He laid before the Committee papers relating to a  
 suggested amendment of By-law II, consideration  
 of which was deferred.

