

COMMITTEE OF TREASURY  
MINUTE BOOK

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
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4.9.74.

NOTE FOR RECORD.

COMMITTEE OF TREASURY

It is most important - particularly for future historians - that the absence of any regular reference in the Minutes of Committee of Treasury to the Governor's review of the weekly Figures and the various Markets should not be misconstrued. In fact, it is the invariable practice of the Governor each week to review the current situation in at least as much detail as he does at Court the following day (and which is recorded in the Court Minutes). Only if the review leads on to discussions of special importance or to the formulation of a recommendation affecting, e.g., Bank Rate (now M.L.R.), Special Deposits, etc., is a specific reference made in the Minutes of Committee of Treasury.

  
4th September 1974.

P.A.S.T.

WEDNESDAY, THE 2ND JANUARY 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens

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

It was agreed to recommend to the Court of Directors that the Trustees of the Superannuation Fund be informed that the following benefits are payable, being in accordance with the scales laid down in the appropriate Regulations except where otherwise stated -

	<u>Amount</u> <u>p.a.</u>	<u>Payable</u> <u>from</u>
<u>Pensions</u>		
(i) Exceptional - Order of Court of the 23rd September 1971 (Selective Pension Offer) -		
██████████, an Assistant	£4,097.50	4. 1.74
██████████, a Superintendent	£2,775.00	28. 1.74
(ii) Exceptional - Order of Court of the 27th September 1973 -		
██████████, a Shift Assistant, Grade III	£1,065.83	31. 1.74
(iii) Ordinary -		
██████████, Banking Staff Class II	£1,134.37	21. 1.74

*h.a.*

Death Benefits

	<u>Amount</u>
[redacted], formerly a Principal, to his Widow, [redacted] [redacted]	£20,430.00
[redacted], formerly a [redacted], to his Widow, [redacted] [redacted]	£5,444.40

A Supplementary Allowance

	<u>Amount</u>	<u>Payable</u>
	<u>p.a.</u>	<u>from</u>
[redacted], Widow of the above-mentioned [redacted]	£428.33	13.12.73

Three Reports of the STAFF COMMITTEE on the following subjects were submitted and referred to the Court of Directors -

1. Banking Staff resignations.
2. Gratuities for Efficiency and Economy suggestions.
3. Provision for widows.

A statement of OFFICIAL RESERVES at the end of December was also submitted.

C790 With reference to Minutes of the previous meeting, the Governor outlined the arrangements which had been put into effect to meet the difficulties caused by the large scale withdrawal of deposits from the so-called "FRINGE BANKS". He informed the Committee that, in addition to underwriting the risk, to a maximum of £2 million, on lending in the special case of Cedar Holdings, the Bank had assumed responsibility to provide, and carry the risk on, 10% of the sum needed in support of the general arrangements: and the Committee were content.

C7217 The Deputy Governor mentioned that, in pursuance of the Government's policy of restricting CAPITAL EXPENDITURE by public sector bodies in the year 1974/75, the Bank had undertaken to reduce by 20% its planned capital

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spending in that year. A qualification had been recorded, however, that it might not be possible to achieve this reduction in respect of expenditure on Bank note production facilities.

CT 60 06  
Mr. Davies attended and spoke to the Committee on the subject of ABATEMENT OF PENSIONS which was due to be discussed again at the next meeting of the Banking Staff Joint Negotiating Council. He outlined the likely attitudes of the various Clearing Banks towards abatement and, after discussion, the Committee agreed that the Bank should reaffirm its adherence to the principle of abatement as approved by the Court, but should offer to review the position with the Staff Representatives in, say, one or two years' time in the light of developments during that period.

CT 60 02  
CT 61.  
Mr. Davies also put forward a request by the Staff Representatives that the Bank should give an undertaking that if the cost of living conditions were satisfied they would make a THRESHOLD PAYMENT to the Staff in accordance with the provisions of Stage Three of the Government's anti-inflationary policy. The Committee agreed that the Bank would be likely to wish to make such a payment if and when the conditions were satisfied, but took the view that it would be inappropriate at the present time to enter into a formal agreement to do so.

*R. Davies*  
Secretary.



WEDNESDAY, THE 9TH JANUARY 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Val Duncan

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

It was agreed to recommend to the Court of Directors -

- I. That the Trustees of the Superannuation Fund be informed that [REDACTED], a [REDACTED], is entitled to a Pension of £951.08 a year from the 2nd February 1974, in accordance with the scale laid down in the appropriate Regulations.
- II. That [REDACTED], the Second Auditor, be appointed Auditor of the Bank Provident Society on behalf of the Court, during the absence of J.F.M.Smallwood, the Auditor.

The Governor acquainted the Committee of arrangements made in regard to Bank Staff seconded to the HONG KONG GOVERNMENT. It had been agreed that [REDACTED], formerly Second Auditor, would become Banking Commissioner, and [REDACTED], an Assistant to the Chief of the Economic Intelligence Department, would succeed [REDACTED] as Principal Assistant Financial Secretary.

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Mr. Davies attended and the Committee discussed with him the paper on SENIOR SALARIES dated October 1973. CT6001 It was agreed that there should be further discussion of this matter.

*Secretary*  
Secretary:

WEDNESDAY, THE 16TH JANUARY 1974

Present:

The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens

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

It was agreed to recommend to the Court of Directors that the Trustees of the Superannuation Fund be informed that the following benefits are payable, being in accordance with the scales laid down in the appropriate Regulations -

	<u>Date of Resignation</u>	<u>Amount p.a.</u>	<u>Payable from</u>
<u>Deferred Pensions</u>			
[redacted], Banking Staff Class I	6. 1.74	£602.00	20. 7.97
[redacted], Banking Staff Class I	4. 1.74	£478.10	13. 5.98

A Death Benefit

	<u>Amount</u>
[redacted], formerly a [redacted] Southampton Branch, to his Widow, [redacted]	£6,013.80

Allowances

	<u>Amount p.a.</u>	<u>Payable from</u>
[redacted], Widow of [redacted], a Principal	£180.00	13.12.73
[redacted], Widow of the above-mentioned [redacted]	£98.00	24.11.73

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The Quarterly Report of the COMMITTEE TO CONSIDER THE SECURITIES OF CERTAIN FUNDS was submitted and referred to the Court of Directors.

With reference to Minutes of the 2nd January and earlier, the Deputy Governor reported to the Committee on the situation regarding the "FRINGE BANKS". He said that the arrangements with the Clearing Banks were working satisfactorily both in regard to particular cases and, more *LT90* generally, in calming the situation. There was, however, one case where the figures involved were so large as to cause anxiety: and the Committee recognised that, in such a situation, the Bank might have to play a special role.

The Deputy Governor mentioned that the Bank had agreed to purchase, at a total cost of £14,000, two boxes at the ROYAL ALBERT HALL; and that it was proposed to make some of the seats available to the Staff at concessionary prices.

*W. A. Taylor*  
Secretary.

WEDNESDAY, THE 23RD JANUARY 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Sir Eric Roll

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

It was agreed to recommend to the Court of Directors that the Trustees of the Superannuation Fund be informed that the following benefits are payable, being in accordance with the scales laid down in the appropriate Regulations -

<u>Allowances</u>	<u>Amount</u> <u>p.a.</u>	<u>Payable</u> <u>from</u>
[REDACTED], Widow of [REDACTED], a Pensioner	£225.00	5.12.73
[REDACTED], Widow of [REDACTED], a Pensioner	£98.00	29.10.73

A Minute on an APPOINTMENT recommended by the Governors was submitted and referred to the Court of Directors.

Mr. Davies attended and discussed with the Committee his report of the 22nd January on ABATEMENT OF PENSIONS. After consideration of the issues involved, it was agreed to recommend to the Court of Directors that the Bank should not modify their stance on abatement. It was recognised that this might well lead to arbitration; but on such a matter of principle this was regarded as wholly acceptable.

CT.60.06

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It was further agreed to recommend to the Court the implementation forthwith of the arbitration award of an increase of £5 to £85 in the SPECIAL NON-PENSIONABLE ALLOWANCE with effect from the 1st July 1972 and its incorporation in pensionable salaries from that date.

CT 60 02  
The Governor discussed with the Committee names CT 10 03 for THE DIRECTION.

*W. A. Taylor*  
Secretary

WEDNESDAY, THE 30TH JANUARY 1974

Present:

The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

It was agreed to recommend to the Court of Directors that the Trustees of the Superannuation Fund be informed that [REDACTED], a [REDACTED], is entitled to a Pension of £770.47 a year from the 23rd February 1974, in accordance with the scale laid down in the appropriate Regulations.

In connection with the Annual Review of the Staff, the following were submitted and referred to the Court of Directors -

1. A Minute on APPOINTMENTS, etc., recommended by the Governors.
2. A Minute of the Staff Committee recommending certain GRATUITIES.

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

1. A Report of the Staff Committee on the Chief of Establishments' review of GENERAL STAFF ADMINISTRATION AND TRAINING.
  2. A Report of the Staff Committee on SECURITY AT THE COUNTRY BRANCHES.
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3. A report from Sir Eric Roll on his visit to the  
SOUTHAMPTON BRANCH.

With reference to Minutes of the 16th January and  
earlier, the Deputy Governor acquainted the Committee of  
the present situation regarding the "FRINGE BANKS" and  
Cr 90 mentioned again the particular case where, because of the  
amount involved, the Bank was having to play a special role.

With reference to Minutes of the previous week,  
Mr. Davies reported that, at a further meeting of the  
Banking Staff Joint Negotiating Council, the Staff  
Representatives had suggested a form of words for inclusion  
in the final agreement on the pension proposals which was  
very close to the provisions governing ABATEMENT OF  
Cr 60 06 PENSIONS approved earlier by the Court. This seemed to  
offer a means of settling the difference which might be  
acceptable to the Bank and, after discussion, the  
Committee agreed that the matter be put to the Court of  
the following day.

*W. A. Taylor*  
Secretary.



WEDNESDAY, THE 6TH FEBRUARY 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Lord Robens

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

It was agreed to recommend to the Court of Directors that the Trustees of the Superannuation Fund be informed that [REDACTED], a [REDACTED], is entitled to a Pension of £772.89 a year from the 28th February 1974, in accordance with the scale laid down in the appropriate Regulations.

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

1. The Quarterly Report of the AUDIT COMMITTEE.
2. A report by Sir Maurice Laing and Lord Robens on their visit to the LEEDS BRANCH.

CT 8.07 A statement of OFFICIAL RESERVES at the end of January was also submitted.

CT 206 The Governor acquainted the Committee of the forthcoming secondment to the [REDACTED] of [REDACTED], an Assistant Principal in the Overseas Department.

*M. Laing*  
Secretary

WEDNESDAY, THE 13TH FEBRUARY 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Lord Robens

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

It was agreed to recommend to the Court of Directors that, in connection with the Annual Review of the Staff, and with effect from the 1st March next -

1. The following be granted Personal Pensionable Salary -

J.B.PAGE (50), Chief Cashier	£1,500
R.C.BALFOUR, M.B.E. (58), Chief Accountant	£1,000
J.A.KIRBYSHIRE (50), Adviser to the Governors	£1,000

2. The following appointment be made -

R.A.J.MIDDLETON, M.B.E. (50), an Assistant Chief Accountant	to be a Deputy Chief Accountant on the salary scale applicable to a Deputy Secretary.
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CT 60,01

3. The following appointments to be made in the Economic Intelligence Department -

[redacted] )  
an Adviser, Grade II )  
[redacted] )  
an Assistant Chief, )  
Economic Intelligence )  
Department )

to be Advisers,  
Grade I

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4. J.F.M.SMALLWOOD, the Auditor (47), now on Scale I, be appointed to the scale applicable to Agents, etc., at a salary of [REDACTED].

It was also proposed that five additional awards of half or whole increments be made to members of the Administrative Staff on the scale applicable to Agents and others of similar rank.

A Minute on GRATUITIES recommended by the Governors to certain of the Printing Works staff was submitted and referred to the Court of Directors.

A Report of the Trustees of the Superannuation Fund, Widows' Annuity Fund and 1965 Widows' Fund recommending the winding up of these three Funds for amalgamation into a new PENSION FUND was submitted and referred to the Court of Directors. Arising therefrom, the Committee discussed certain proposals, stemming from recommendations made by the Actuary, regarding the structure and administration of the new Pension Fund; and it was agreed to recommend to the Court that the proposals be adopted subject to such modification of points of detail as the Court might determine.

The Committee also discussed Mr.Davies' note "Pay Settlement 1974" by which he sought to establish the Bank's general strategy in relation to the 1974 PAY SETTLEMENT. Mr.Davies said that the Staff Representatives, possibly fearful of more stringent statutory control of salaries, had asked for an early pay settlement. In a discussion of the factors involved it was suggested that the Bank could properly give an undertaking at this time to make as favourable a settlement as was possible under the Government's Stage Three policy, but that it would not be

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advisable for the Bank to conclude a formal pay settlement with the staff so far in advance of the date of implementation.

*L. A. Taylor*  
Secretary





The Annual Report of the CHARITABLE APPEALS COMMITTEE on subscriptions and donations was submitted and referred to the Court of Directors.

The monthly BANKING FIGURES as at the 16th January were also submitted.

CT 219 With reference to a Minute of the previous week, draft interim rules for the administration of the new PENSION SCHEME upon its introduction on the 1st March 1974 were laid before the Committee. It was agreed to recommend to the Court that these rules be adopted pending formal agreement to the text of the detailed regulations for the payment of benefits from the new Pension Fund.

After discussion of the weekly report on INDUSTRY AND FINANCE, the Governor spoke briefly to the Committee on the following subjects -

- CT 40 1. The level of CLEARING BANK PROFITS.
- CT 90 2. The present situation with regard to support for "FRINGE BANKS".

*L. A. J. P.*  
Secretary

WEDNESDAY, THE 27TH FEBRUARY 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

It was agreed to recommend to the Court of Directors that the Trustees of the Superannuation Fund be informed that the following benefits are payable, being in accordance with the scales laid down in the appropriate Regulations -

	<u>Amount</u>
<u>Death Benefits</u>	
[redacted], formerly an Assistant Superintendent, to his Widow, [redacted]	£6,757.40
[redacted], formerly Printing Works Staff, to his Widow, [redacted]	£10,450.44

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

1. A Minute on APPOINTMENTS recommended by the Governors.
2. A Report of the STAFF COMMITTEE on the remuneration of male Supplementary Banking Staff.

*Law*

The following were also submitted -

1. Accounts of the BANK PROVIDENT SOCIETY for the year ended the 30th November 1973.
2. The Quarterly Report on ERRORS AND OMISSIONS.

The Governor mentioned to the Committee the situation that existed regarding the REAPPOINTMENT TO THE COURT of those Directors whose term of office was due to expire on the 28th February.

*W. A. G.*  
*Secretary*

WEDNESDAY, THE 6TH MARCH 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Eric Roll  
Sir Val Duncan

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

The following were laid before the Committee -

1. The terms of a RESOLUTION to be submitted to the Court of the following day authorising the appointment of a representative of the Governor and Company at meetings of certain companies in which the Bank hold shares.

CT 119.03

CT 218

2. A statement of FORTHCOMING RETIREMENTS, etc.

CT 81.01

3. A statement of OFFICIAL RESERVES at the end of February.

4. The weekly report on INDUSTRY AND FINANCE.

CT 84.03

[REDACTED]

The Governor reminded the Committee that the annual election of the Committee of Treasury would normally have been held at Court the following day. He said that, pending an announcement regarding the REAPPOINTMENT OF

CT 70.03

CT 72

*han*

DIRECTORS whose term of office had expired on the 28th February, he intended to suggest to the Court that the election be deferred.

W. A. G. S.  
Secretary.



WEDNESDAY, THE 13TH MARCH 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Eric Roll

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

A Report of the COMMITTEE ON PERMANENT CONTROL OF EXPENDITURE was submitted and referred to the Court of Directors.

The following were also submitted -

1. A report by Mr. McMahon on his visit to the LAW COURTS BRANCH.
2. A statement of FORTHCOMING RETIREMENTS, etc.
3. The weekly report on INDUSTRY AND FINANCE.

The Governor acquainted the Committee of the formation of a CITY TAXATION COMMITTEE. This would consist of a group of individuals with a wide range of City knowledge and experience; and one of its main functions would be to provide to the Inland Revenue, on a fully confidential basis, reactions to possible developments in the field of taxation. The Governor gave details of the composition of the Committee.

*Laing*  
*Secretary*

THURSDAY, THE 21ST MARCH 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing

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

It was agreed to recommend to the Court of Directors, pursuant to Clauses 11 and 12 of the Charter of the 1st March 1946 and with effect from the 1st March 1974 -

- I. That the exclusive service of MR.J.S.FFORDE be engaged during his term as a Director and that he be entitled to the benefit, insofar as it applies to his case, of the Scheme approved by the Court of the 31st October 1968, for the payment of pensions, etc., to those Members of the Court rendering exclusive service.
- II. That remuneration in respect of their exclusive services be paid to MR.FFORDE and MR.McMAHON at the rate of £18,550 a year.

A statement of the estimated operating profit of the BANKING DEPARTMENT for the year ended the 28th February 1974 was submitted, and it was agreed to recommend to the Court of Directors that, pursuant to Section 1(4) of the Bank of England Act, 1946, a payment of £3,000,000 be made to H.M.Treasury on the 5th April next.

*P. A. Taylor*  
Secretary

MEMBERS OF THE COMMITTEE OF TREASURY

FOR THE YEAR 1974/75

THE GOVERNOR

THE DEPUTY GOVERNOR

LORD NELSON

SIR MAURICE LAING

LORD ROBENS

SIR ERIC ROLL

SIR VAL DUNCAN

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WEDNESDAY, THE 27TH MARCH 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

It was agreed to recommend to the Court of Directors -

I. That the following Committees be appointed for the year ensuing -

STAFF COMMITTEE

MR.de ROTHSCHILD  
SIR VAL DUNCAN  
MR.DAVIES (Deputy Chairman)  
MR.FFORDE  
SIR SIDNEY GREENE  
MR.CLAY  
MR.DOW  
MR.LAING  
SIR ALASTAIR PILKINGTON

DEBDEN COMMITTEE

MR.CADBURY  
MR.DAVIES  
MR.FFORDE (Deputy Chairman)  
SIR SIDNEY GREENE  
MR.WEIR  
MR.LAING

COMMITTEE TO CONSIDER  
THE SECURITIES OF  
CERTAIN FUNDS

SIR ERIC ROLL  
MR.de ROTHSCHILD  
MR.FFORDE  
MR.CLAY

AUDIT COMMITTEE

LORD ROBENS  
MR.de ROTHSCHILD  
MR.DOW  
SIR ALASTAIR PILKINGTON

COMMITTEE ON PERMANENT  
CONTROL OF EXPENDITURE

THE DEPUTY GOVERNOR  
LORD NELSON  
LORD ROBENS  
MR.DAVIES  
MR.CADBURY

COMMITTEE ON BANK  
PREMISES

LORD NELSON  
SIR VAL DUNCAN  
MR.DAVIES  
MR.WEIR  
MR.LAING

CHARITABLE APPEALS COMMITTEE

SIR MAURICE LAING  
MR. McMAHON  
MR. DOW

THE SECRETARY (ex officio)

II. That the following be appointed to visit the Branches  
and the Glasgow Office during the year ensuing:-

<u>Manchester</u>	Sir Eric Roll Mr. Clay
<u>Birmingham</u>	Mr. de Rothschild Sir Alastair Pilkington
<u>Liverpool</u>	Sir Sidney Greene Mr. Weir
<u>Bristol</u>	Sir Maurice Laing
<u>Leeds</u>	Mr. Cadbury Mr. Dow
<u>Newcastle</u>	Mr. McMahon Mr. Laing
<u>Southampton</u>	Lord Nelson Mr. Fforde
<u>Law Courts</u>	Sir Val Duncan
<u>Glasgow Office</u>	Lord Robens

Two Minutes on APPOINTMENTS recommended by the  
Governors were read and referred to the Court of Directors.

The following were also submitted -

1. The monthly BANKING FIGURES as at the 20th February.
2. The quarterly analysis of BANK ADVANCES.
3. The weekly report on INDUSTRY AND FINANCE.

The Committee discussed Mr. Davies' note of the  
27th March on the THRESHOLD AGREEMENT and it was agreed  
that -

1. The Court having already declared its intention to  
make any threshold payments that became due under  
Stage Three before the 1st July, it was unnecessary

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to conclude a formal agreement with the Staff  
to do so, unless this were specifically called  
for by legislation; and

- CT60.02 2. In the absence of new legislation, negotiation of  
the pay settlement due on the 1st July 1974  
would be conducted within the confines of Stage  
Three policy and would include future arrangements  
governing threshold payments.

*M. Taylor*  
Secretary.

THURSDAY, THE 4TH APRIL 1974

Present:

The Governor  
The Deputy Governor  
Lord Robens  
Mr.de Rothschild (as Alternate)

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

It was agreed to recommend to the Court of Directors -

I. That an Account be opened in the name of [REDACTED]

II. That, in pursuance of the policy of recruiting economists on short-term contracts, which was approved by the Court of the 17th March 1960, [REDACTED], at present employed in [REDACTED], be appointed to the service of the Bank with effect from a date to be agreed, on the following terms -

1. The appointment to be temporary and non-pensionable: to be for a period of two years from a date to be agreed, with the possibility of an extension for a further year; to be terminable at any time on three months' notice in writing on either side and to be conditional on his agreeing to waive the right to any redundancy payment to which he may become entitled.
2. Salary to be £5,340 a year: the Governors to be empowered to increase his salary at their discretion: the Bank to pay, during

CT.202

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the period of service, both his and the employer's contributions to the Federated Superannuation System for Universities.

3. Annual paid leave of absence to be 30 working days in a completed year of service ending on the anniversary of the date of appointment and proportionately in an incomplete year of service; pay during sickness to be three months.
4. The conditions of service for staff employed on short-term contracts to apply.

Two Reports of the STAFF COMMITTEE on the following subjects were submitted and referred to the Court of Directors -

1. Banking Staff resignations.
2. The Premises Maintenance and Services function.

CT90.02

The Governor acquainted the Committee of his intention to recommend to the Court a release of SPECIAL DEPOSITS. The repayment, which had the approval of the Chancellor of the Exchequer, would reduce the rate of call for Special Deposits from  $4\frac{1}{2}\%$  to  $3\frac{1}{2}\%$  and was intended to relieve pressure on reserve asset ratios. This would facilitate some reduction in money market interest rates, which were undesirably high for domestic purposes and also high in relation to comparable overseas rates.

*W. H. H. H.*  
Secretary.

WEDNESDAY, THE 10TH APRIL 1974

Present:

The Governor  
The Deputy Governor  
Sir Eric Roll  
Sir Val Duncan

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

It was agreed to recommend to the Court of Directors that, consequent upon the forthcoming retirement of Miss A.P.M. Maunsell and with effect from the 29th June 1974, the following appointment be made -

(T 60 01      [redacted],      to be 1st Deputy Chief of  
Assistant Chief of      Establishments.  
Establishments,

The following were submitted -

1. A statement of FORTHCOMING RETIREMENTS, etc.
2. The weekly report on INDUSTRY AND FINANCE.

The Governor acquainted the Committee of the following matters -

1. In the course of discussions with the Chancellor of the Exchequer and the Treasury on possible means of providing funds to the BUILDING SOCIETIES, he had resisted strong pressures to make Issue Department money available for this purpose at a favourable rate. While expressing the view that such funds should be provided through the Exchequer, the Governor said he had indicated that, if pressed to do so, he would be prepared to provide £100 million - out of a total of

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C.T. 84  
S.C. 4  
S.C. 10

£500 million - in the form of a Banking  
Department advance at Minimum Lending Rate.  
The matter had not yet been resolved.

- CT 99
2. There were signs of imminent and serious  
financial difficulties amongst certain  
PROPERTY COMPANIES. These difficulties  
were closely interlocked with those of the  
fringe banking community, but for various  
reasons it was less easy to mobilise the  
necessary support. The Bank were keeping  
in close touch with the developing situation.

Members of the Committee drew attention to the  
adverse effects upon industry and the City that were  
likely to arise from the proposals regarding PERSONAL  
TAXATION in the recent Budget. The Governor was urged  
to see whether representations could properly be made  
to the Chancellor on this subject, perhaps through the  
City Taxation Committee.

*Barry*  
*Secretary.*



WEDNESDAY, THE 24TH APRIL 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

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

1. A Minute on APPOINTMENTS recommended by the Governors
2. A Report of the Staff Committee on the Chief of Establishments' review of SALARY POLICY AND FRINGE BENEFITS
3. The quarterly Report of the COMMITTEE TO CONSIDER THE SECURITIES OF CERTAIN FUNDS.

The following were also submitted -

1. The monthly BANKING FIGURES as at the 20th March
2. The weekly report on INDUSTRY AND FINANCE.

With reference to Minutes of the 30th January and earlier, the Governor informed the Committee that he had been advised that there was no prospect that Lloyds Bank could introduce provision for ABATEMENT OF PENSIONS into its superannuation arrangements so far as existing staff were concerned.

CT.6006

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With reference to Minutes of 10th April, the Governor referred to the Bank's continuing efforts to gather information about the affairs of PROPERTY COMPANIES and to encourage those, such as insurance companies, who were more closely involved in this area to provide additional financial support for property companies.

*P. A. Taylor*  
Secretary.

WEDNESDAY, THE 1ST MAY 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Sir Val Duncan

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

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

1. A Report of the STAFF COMMITTEE on the calculation of pensionable earnings.
2. A Minute of the CHARITABLE APPEALS COMMITTEE on a donation.

The following were also submitted -

1. A statement of OFFICIAL RESERVES at the end of April.
2. A statement of forthcoming RETIREMENTS, etc.

The Governor acquainted the Committee of the following matters -

1. A notice to banks and deposit-taking finance houses had been issued the previous day setting out the future application of the scheme for SUPPLEMENTARY SPECIAL DEPOSITS for a further period of six months.  
C.T. 9002.
  2. An advertisement had been placed in the press announcing a progressive expansion of the Bank's ECONOMIC SERVICES and inviting applications from candidates with qualifications in economics.  
C.T. 202
- 9

CT. 99 With reference to Minutes of the previous week,  
the Governor outlined the current situation in relation  
to the problems affecting PROPERTY COMPANIES.

*St. George.*

*Deputy Secretary.*

WEDNESDAY, THE 8TH MAY 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Eric Roll

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

It was agreed to recommend to the Court of Directors that, consequent upon the forthcoming retirement of [REDACTED], Deputy Chief Accountant, and with effect from the 1st August 1974, the following appointments be made:-

CT 60.01

[REDACTED],

to be Deputy Chief Accountant

B.P.McCARTHY (44),  
an Assistant Chief Cashier,  
(Scale 1),

to be Auditor, on the  
scale applicable to  
Agents, etc., at a  
salary of £9,150.

The Quarterly Report of the CHARITABLE APPEALS COMMITTEE was submitted and referred to the Court of Directors.

A statement of forthcoming RETIREMENTS was also submitted.

With reference to Minutes of the 13th February, Mr.Davies attended and spoke to the Committee about the 1974 PAY SETTLEMENT. He outlined the main award, which would be as favourable a settlement as was possible under the constraints of Phase III, and also commented on the

CT 60.02

W.S.

proposed use of the flexibility margin, the implementation of which would require the sanction of the Pay Board.

The Governor acquainted the Committee of the following matters -

1. The condition of LORD O'BRIEN following injuries sustained in a car accident.
2. The death of R.F.A.SHARP, a Cashier in the Treasury.

6-99 With reference to Minutes of the previous week and earlier, the Deputy Governor described some aspects of the problems affecting PROPERTY COMPANIES.

*R. F. A. Sharp*  
Secretary

WEDNESDAY, THE 15TH MAY 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Sir Eric Roll  
Sir Val Duncan

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

A Minute of the CHARITABLE APPEALS COMMITTEE on the granting of a donation was submitted and referred to the Court of Directors.

A statement of FORTHCOMING RETIREMENTS was also submitted.

The Deputy Governor spoke to the Committee about certain proposals regarding the future operation of the HOUBLON-NORMAN FUND made to the Trustees by the Fund's Advisory Committee. The Advisory Committee had proposed -

1. an approach to the Bank to seek an increase in the Fund's financial resources;
2. the establishment of a fellowship scheme.

The Deputy Governor said that the fellowship proposal had to some extent been overtaken by the Bank's decision to recruit further economists to work in the Economic Intelligence Department, while the result of the current review of applications for grants from the Houblon-Norman Fund indicated an underspending of income next year. In the circumstances, he thought it would be right to advise the Court that no immediate action should be taken on the

*lan*



Advisory Committee's proposals, but that the possibility of an increase in the Fund's resources should be kept in mind and reconsidered if income, including accumulated income, should prove insufficient in the future. The Committee concurred.

*W. A. Taylor*  
Secretary.

WEDNESDAY, THE 22ND MAY 1974

Present:

The Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens  
Sir Val Duncan

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

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

A Minute on APPOINTMENTS recommended by the Governors.

Two Reports of the STAFF COMMITTEE on the following subjects -

1. Restructuring of Banking Staff Class II and Typists.
2. Increases in Pensions and Allowances.

In endorsing the Staff Committee's proposals for increases in pensions, the Committee voiced certain misgivings about the future should the present combination of circumstances be repeated. After discussion, it was agreed to suggest to the Court that the announcement of the award to pensioners on this first occasion since the introduction of the new pension scheme should be accompanied by a statement to the effect that the increases had been approved notwithstanding the presence of circumstances which might well have been regarded as extraordinary and, therefore, sufficient to call for a lesser increase than that calculated by reference to the rise in the General Index of Retail Prices.

*h.n.*

The following were also submitted -

1. A statement of FORTHCOMING RETIREMENTS.
2. Monthly BANKING FIGURES as at the 17th April.

*L. A. Taylor*  
Secretary.

WEDNESDAY, THE 29TH MAY 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Eric Roll

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

The Deputy Governor spoke in general terms about the shape of the BANK'S ACCOUNTS for the year ended the 28th February last and, with the aid of illustrative figures, discussed with the Committee certain relevant matters including provisions for losses and the size of the final payment to be made to H.M.Treasury.

The Quarterly Report of ERRORS AND OMISSIONS was submitted.

In the context of possible future regulation of banking and other City activities, the Governor spoke to the Committee about -

- (i) his meeting that afternoon with the Clearing Bank Chairmen;
- (ii) the future role and staffing of the Take-over Panel;
- (iii) the review of commodity market operations.

He also laid before the Committee a press release to be made later that day describing the formation of certain specialist committees and working groups in the City to deal with issues of public policy affecting the financial community.

*Secretary*  
Secretary.

WEDNESDAY, THE 5TH JUNE 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens

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

A Report of the COMMITTEE ON PERMANENT CONTROL OF EXPENDITURE was submitted and referred to the Court of Directors.

A statement of OFFICIAL RESERVES at the end of 31st May was also submitted.

With reference to Minutes of the 8th May and earlier, Mr.Davies attended and spoke to the Committee in general terms about the framework of the 1974 PAY SETTLEMENT. It was agreed that the Bank should continue to make threshold payments falling due after the 1st July until Stage Three arrangements were brought to an end. Mr.Davies mentioned particularly the possible application of the flexibility margin and said that the Staff Representatives were seeking to use the Bank's urgent need to restructure Class II Staff and Typists as a bargaining counter to obtain firm assurances of action to restore the position of other Banking Staff, when and if present restrictions were lifted. The Committee took the view that, because pay increases after Stage Three would inevitably continue to be restricted or, at least, be subject to official guidelines, the Bank would be wrong to give the Staff assurances of future action against a

CT 60.9A

*man*

background that could not be foreseen: to do this might create specific expectations which might not be capable of realisation. The most that the Bank could and should do was to make it clear that they were prepared to act as generously as might prove possible within the guidelines of official policy.

*Laing*  
Secretary.



THURSDAY, THE 13TH JUNE 1974

Present:

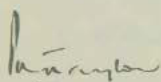
The Governor  
The Deputy Governor  
Sir Val Duncan  
Mr. Cadbury (as Alternate)

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

The Quarterly Report of the AUDIT COMMITTEE was submitted and referred to the Court of Directors.

With reference to Minutes of the 29th May, the ACCOUNTS of the Bank for the year ended the 28th February 1974 were examined, and it was agreed to recommend to the Court of Directors that they be approved and signed.

  
Secretary.

WEDNESDAY, THE 26TH JUNE 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Sir Eric Roll  
Sir Val Duncan

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

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

A Minute on APPOINTMENTS recommended by the Governors

Two Reports of the STAFF COMMITTEE on the following subjects -

1. Banking Staff resignations.
2. Efficiency and Economy suggestions.

CT190 The monthly report on INDUSTRY AND FINANCE was also submitted and the Governor mentioned his meeting with certain industrialists the previous day.

CT6032 At the Governor's invitation Mr.Davies described the reactions of the Staff representatives to the Court's earlier decision that there could be no formal commitment at this time in respect of possible SALARY AWARDS and other benefits in the period after the end of Stage Three. The Staff representatives had asked for an opportunity to put their case to Members of the Court and a meeting had been arranged for the following day. Whether or not there would be guidelines for wages policy after Stage Three was at present unknown and Mr.Davies said that the

*h.a.*

representatives were understandably concerned that because of the Bank's unwillingness to enter into any firm commitment the Staff might be put at a relative disadvantage if other employers, particularly the Clearing Banks, were able to take advantage of a temporary easing of restraints while the Bank were not ready to respond. The Committee endorsed the Governor's view that the Court were sympathetic and genuinely concerned to see that the Bank's reputation as a good employer should not suffer. While it was entirely proper that the Bank should at all times advocate wages policies that best served the national interest, there could be no question but that they were obliged to adopt attitudes towards remuneration which would ensure that the calibre of staff appropriate to the Bank's needs and work continued to be available.

The Governor acquainted the Committee of the following matters -

1. The Chancellor of the Exchequer had written to him expressing appreciation of the rôle and work of the CITY TAXATION COMMITTEE.
2. In response to an invitation to the Bank from the PARLIAMENTARY COMMITTEE ON PUBLIC EXPENDITURE, it had been agreed that Mr. Dow would give evidence to the Committee: this decision had been taken with the knowledge and agreement of the Chancellor of the Exchequer.

C7.70.

SEC 10

In response to appeals for financial support, the Committee agreed that -

1. The Bank should not participate as a corporate subscriber to the ROYAL OPERA HOUSE TRUST.
2. A further donation of £500 be made to the BUSINESS ARCHIVES COUNCIL in respect of their survey of banking records.

C7 57

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The Governor also mentioned to the Committee in general terms the progress of the Bank's thinking in regard to more effective supervision of banks and other financial institutions; and outlined the administrative arrangements that were thought appropriate for the discharge of these wider responsibilities.

CT.90.

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*Secretary.*

WEDNESDAY, THE 3RD JULY 1974

Present:

The Deputy Governor  
Lord Nelson  
Lord Robens  
Sir Val Duncan

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

CT 50 It was agreed to recommend to the Court of  
CT 52 Directors that the ANNUAL REPORT AND ACCOUNTS of the Bank for the year ended the 28th February 1974 be printed and issued.

A statement of OFFICIAL RESERVES at the end of June was submitted.

The Deputy Governor mentioned to the Committee -

- CT 85 1. A formal announcement was expected shortly of the appointment of MR.MARTIN HARRIS, currently a partner in the firm of Price Waterhouse and Co., to be Director-General of the Panel on Take-overs and Mergers, with effect from the 1st November 1974.
- CT 76  
CT 84 02 2. The situation that had arisen as a result of the publication in the Daily Mirror on the 2nd July of REPRODUCTIONS OF BANK NOTES. Having heard the circumstances, the Committee endorsed the Deputy Governor's view that legal action against the newspaper was inappropriate in this case.

*Jan*



With reference to Minutes of the previous week, Mr. Davies attended and spoke to the Committee about the continuing discussions with the Staff representatives on the 1974 PAY SETTLEMENT which would be the subject of further consideration at Court the following day. The Committee agreed that, because of current uncertainties, they could not advise the Staff whether or not to accept a settlement under Stage Three. They took the view that the Court should be encouraged to make it known to the Staff that if a Stage Three settlement were concluded on the basis already negotiated, the Bank would be willing to make rather more specific commitments regarding pay in the priority areas already established and to accompany this with a general statement that the Court recognised the need to re-establish, as a matter of policy, levels of remuneration appropriately aligned with those of the clearing banks, which were the Bank's closest analogue.

CT 60 02

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Secretary



WEDNESDAY, THE 10TH JULY 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

The Governor acquainted the Committee of the following matters -

1. His meeting during the past week with partners of the major accounting firms at which the financial and other problems affecting companies were discussed. Also his meeting with Dr. Kissinger.  
*ET 49*
2. The general course of discussions at the monthly Basle meeting. In this connection, he reported his nomination of Lord O'Brien as a Director of the Bank for International Settlements in succession to Mr. Babington Smith who had retired.  
*CT 100 01*
3. The secondments of [redacted] as [redacted] and of [redacted] to [redacted].  
*CT 215*  
*CT 110 01*
4. With reference to Minutes of the 12th September 1973 and earlier, he had received a letter from [redacted], mother of [redacted], who had been required to resign from the Banking Staff. After due consideration, he had informed [redacted] that it was not possible to accede to her plea for the reinstatement of her son in the Bank's service.  
*CT 60*  
*off. a file*  
*lan*

CT60 03  
With reference to Minutes of the previous week on the 1974 PAY SETTLEMENT, Mr. Davies attended and described the current situation. He said that the Staff had decided to defer, but not to abandon, a Stage Three settlement; and went on to refer to the additional award, announced in the Press that day, which the Clearing Banks had agreed to pay when they were free of statutory restraint. The repercussions of this upon the Bank's position were discussed, and the Committee agreed that there was a need for the Bank to work without delay towards an appropriate settlement which could be implemented as soon as opportunity offered.

CT.90  
The Deputy Governor mentioned to the Committee the situation arising out of the failure in Israel of the ISRAEL-BRITISH BANK and, in particular, the position of its London subsidiary.

*W. Davies*  
Secretary

WEDNESDAY, THE 17TH JULY 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Eric Roll  
Sir Val Duncan

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

It was agreed to recommend to the Court of Directors that in pursuit of the policy of extending and strengthening the Bank's role in the area of banking and money market supervision -

A. In the Cashier's Department, the Discount Office should cease to exist and be replaced by a new Departmental division to provide support for the work of banking and money market supervision.

B. The following appointments be made -

GEORGE BLUNDEN (51),  
Chief of Management  
Services,

to have overall  
responsibility for  
banking supervision,  
retaining the status  
of Head of Department,  
with the same basic  
salary as the Chief of  
the Overseas Department.

In the Cashier's Department -

R.D.GALPIN (42),  
Deputy Principal,  
Discount Office,  
Scale I,

to be a Deputy Chief  
Cashier.

*CT. 60 01*  
[redacted],  
a Deputy Principal,  
Scale II,

to be an Assistant to  
the Chief Cashier,  
Scale II,

[redacted],  
a Deputy Principal,  
Scale III,

to be an Assistant to  
the Chief Cashier,  
Scale III.

*lan*

In the Management Services Department -

G.L.L.de MOUBRAY [redacted], to be Chief of  
Management Development Management Services.  
Manager, Establishment  
Department,

In the Establishment Department -

CT6001

[redacted], to be Management  
an Assistant Chief Development Manager,  
Cashier, Scale I, with the same status  
and salary as a  
Deputy Chief of  
Establishments.

C. The following additional appointment to be made in the  
Cashier's Department -

[redacted], to be an Adviser  
an Assistant Chief (Grade I).  
Cashier, Scale I,

With reference to Minutes of the previous week and earlier on the 1974 PAY SETTLEMENT, Mr.Davies outlined, with the aid of a note dated 16th July, the main features of a possible post-Stage Three award and described the reactions of the Staff Representatives to the various proposals that had been under examination. In discussion, the Committee accepted the general shape of the settlement envisaged. On particular issues -

1. Mr.Davies sought and obtained endorsement of his aim to limit strictly the size of any London Weighting allowance.
2. While the Bank would not rule out the possibility of further moves at a later stage to vary pay levels in specific areas or to make other awards if these were shown to be appropriate, there could be no present commitment to any kind of two-stage settlement.
3. There could be no commitment to indexation of pay, at least until there had been a full examination of what this would involve.

CT60.02

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On SENIOR SALARIES, the Committee agreed that no early action should be taken to replace the present system of incremental scales and awards of personal salary by a markedly more discretionary method of determining remuneration, lest this should work to the detriment of the senior staff during periods of statutory incomes restraint; but this need not necessarily preclude the introduction of a degree of discretion through accelerations or merit awards.

There was general agreement that, subject to consideration of the actual figures involved, it would be reasonable on this occasion not to apply the tapering arrangements hitherto used to reduce across-the-board increases in senior salaries. The Committee also agreed that the Bank would be wise to continue to resist the provision of motor cars as an alternative form of remuneration.

*M. A. G.*  
Secretary



WEDNESDAY, THE 24TH JULY 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Lord Robens  
Sir Eric Roll

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

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

1. Two Minutes on APPOINTMENTS recommended by the Governors.
2. The Quarterly Report and Annual Report of the COMMITTEE TO CONSIDER THE SECURITIES OF CERTAIN FUNDS.

The BANKING FIGURES as at the 19th June were also submitted.

With reference to Minutes of the previous week and earlier on the 1974 PAY SETTLEMENT, the Deputy Governor described the main features of the proposed settlement and outlined the Bank's attitude towards certain issues that had still to be resolved. The Committee confirmed their acceptance in principle of the proposed arrangements and agreed that, in present circumstances, it would be advisable to recommend to the Court that the Governor be authorised to approve the final terms in detail, consistently with the framework that had been agreed. Thereafter, ratification of the proposed settlement would be sought through the Bank's formal negotiating machinery.

CT60.02

*Deputy Secretary*



WEDNESDAY, THE 7TH AUGUST 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Eric Roll

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

The Quarterly Report of the AUDIT COMMITTEE was submitted and referred to the Court of Directors.

A statement of OFFICIAL RESERVES at the end of July was also submitted.

CT 81.01  
CT 60.01  
CT 70.01  
With reference to Minutes of the 24th July and earlier on the 1974 Pay Settlement, the Committee discussed proposals for increases in SENIOR SALARIES put to them by the Governor in a paper and, in particular, considered the extent to which the level of Special Remuneration payable to the Executive Directors should be enhanced. The Deputy Governor also spoke to the Committee about a meeting of the chairmen of banks and insurance companies which had been called by the Chancellor on the subject of pay increases.

*Deputy Secretary.*

WEDNESDAY, THE 14TH AUGUST 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Lord Robens

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

CT.70.31 With reference to a Minute of the previous week, it was decided to defer further consideration of increases in the levels of SPECIAL REMUNERATION until September.

The Governor mentioned to the Committee -

- CT.118 1. The recent series of constructive visits to the Bank by CENTRAL BANK GOVERNORS.
- CT.150 2. The situation regarding UNITED DOMINIONS TRUST.

*R. Taylor*  
Secretary

WEDNESDAY, THE 21ST AUGUST 1974

Present:

The Deputy Governor  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

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

1. A Report of the STAFF COMMITTEE on Educational Loans to Staff.
2. The Quarterly Report of the CHARITABLE APPEALS COMMITTEE.

Mr. Davies attended and spoke to the Committee about the proposed PAY SETTLEMENT FOR BUILDING AND ENGINEERING STAFF, details of which were set out in a note dated the 20th August. After discussion, it was agreed that the proposal should go forward for consideration by the Court of the following day.

The following were also submitted -

1. A report by Mr. de Rothschild and Sir Alastair Pilkington on their visit to the BIRMINGHAM BRANCH.
  2. The quarterly report on ERRORS AND OMISSIONS.
  3. The BANKING FIGURES as at the 17th July.
- lan*

With reference to Minutes of the previous week and earlier, the Deputy Governor mentioned briefly the current state of the support operations relating to  
CT90. FRINGE BANKS and hire purchase companies. He referred  
CT 99 particularly to the likely limitation of the size and  
CT99.08 scope of present arrangements and to possible further steps that might have to be taken to provide a continuation of support in these areas.

*W. A. Taylor*  
Secretary

WEDNESDAY, THE 4TH SEPTEMBER 1974

Present:

The Governor  
Lord Nelson  
Lord Robens  
Sir Maurice Laing

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

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

1. A Report of the STAFF COMMITTEE on Housing Loans to Staff, together with a note dated the 2nd September proposing certain variations in the recommended Housing Loan limits.
2. A Minute of the CHARITABLE APPEALS COMMITTEE on the granting of two donations.

The following were also submitted -

1. A statement of OFFICIAL RESERVES at the end of August.
2. The monthly report on INDUSTRY AND FINANCE.

*Laing*  
Secretary.

WEDNESDAY, THE 18TH SEPTEMBER 1974

Present:

The Governor  
Lord Nelson  
Lord Robens  
Sir Eric Roll

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

The OVERSEAS TRADE FIGURES for August were submitted.

In the context of views recently published in the September issue of the Bank's Quarterly Bulletin, the Governor discussed with the Committee in general terms -

1. Problems associated with the deteriorating CASH POSITION OF BRITISH COMPANIES.
2. The urgent need to improve and extend existing methods of recycling surplus OIL MONIES.

The Governor also mentioned to the Committee the appointment on short-term contracts of two economists, [redacted] and [redacted].

*h. n. p.*  
Secretary



WEDNESDAY, THE 25TH SEPTEMBER 1974

Present:

The Deputy Governor  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

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

1. A Minute on APPOINTMENTS recommended by the Governors.
2. A Report of the STAFF COMMITTEE recommending the payment of certain gratuities.

The Banking Figures as at the 21st August and the Quarterly Analysis of Bank Advances were also submitted.

*Laing*  
Secretary

THURSDAY, THE 3RD OCTOBER 1974

Present:

The Deputy Governor  
Sir Maurice Laing  
Lord Robens

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

Two Reports of the STAFF COMMITTEE on the following subjects were submitted and referred to the Court of Directors -

1. Merit and Service Awards for Part-time Staff.
2. The Chief of Establishments' Report on Manpower Review and Planning.

Mr. Davies attended and discussed with the Committee his paper of the 2nd October on "PAY". He referred to the pattern of Clearing Bank pay awards during recent months and the extent to which the Bank's staff could be said to have fared less well than comparable Clearing Bank staff. As a result, there was pressure on the Bank yet again to restore the situation and, importantly, signs that the Unions were actively mounting a serious campaign to woo the staff away from the present internal system of representation.

Mr. Davies outlined three areas in which the Bank might respond to the situation without infringing the bounds of public policy; and he emphasised that it was desirable for any response to be made without delay in order that the position of the staff representatives vis-à-vis their constituents could be strengthened before the staff organisation elections took place on the 1st November.

*laing*

C7.60.01

C7.61

The Committee took the view that the Bank should seek to sustain for as long as possible the existing internal system of staff representation, and that it was right, in present circumstances, to examine urgently what could be done, possibly by restructuring and adjustment of the London Allowance: they were less inclined to favour any move at this time towards formal indexation of pay. Given the time constraints, Mr. Davies undertook to formulate proposals for submission to the Court the following week.

*Handwritten signature*  
Secretary.

THURSDAY, THE 10TH OCTOBER 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens  
Sir Val Duncan

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

A Minute on Gratuities recommended by the Governors to certain of the Printing Works Staff was submitted and referred to the Court of Directors.

CT 60.01  
With reference to Minutes of the previous week, the Committee gave further consideration to Mr. Davies' note of the 2nd October on "PAY" and approved, subject to certain amendments, the text of a draft statement to the Staff in which the Court would express its willingness to take action, within the confines of public policy, to improve certain aspects of the recent pay settlement. It was agreed that this matter be referred to the Court of Directors.

CT 60.01  
CT 70.01  
With reference to Minutes of the 14th August and earlier regarding SENIOR SALARIES, the Governor discussed with the Committee certain recommendations that he proposed to make to the Court regarding the remuneration of the Chief Cashier, the Executive Directors and the Deputy Governor.

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la n a r l e  
Sec eta y

WEDNESDAY, THE 16TH OCTOBER 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Eric Roll

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

A Report of the STAFF COMMITTEE on shift allowances payable to certain administrative staff was submitted and referred to the Court of Directors.

CT 50.04 Figures showing the outturn of the BANKING DEPARTMENT'S Profit and Loss Account for the half-year ended the 31st August 1974 were laid before the Committee.

CT 60.02 With reference to Minutes of the previous week and earlier, Mr. Davies attended and reported that the Bank's offer to improve certain aspects of the recent PAY SETTLEMENT had been regarded by the Staff Organisation as inadequate. He undertook to consider and report on alternative proposals that had been put to him that day by the Staff Representatives.

The Governor spoke to the Committee about his speech at the BANKERS' DINNER at Mansion House the following day.

*W. A. Taylor*  
Secretary



WEDNESDAY, THE 23RD OCTOBER 1974

Present:

A Full Committee

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

The BANKING FIGURES as at the 18th September were submitted.

The Governor acquainted the Committee of the secondment of [redacted] to serve on the staff of the [redacted]

CT.110.01

With reference to Minutes of the previous week and earlier, Mr. Davies attended and discussed with the Committee his note of the 22nd October which set out for consideration possible compromise proposals for meeting the current PAY difficulties. The Committee concluded as follows -

1. the Bank should not pursue the possibility of free, or more heavily subsidised, meals;
2. it would be right to seek first to improve the London Allowance, but temporarily to restrict, if appropriate, the amount of increase paid to Class II Staff who had benefited most under the recent pay settlement: also to provide an appropriate level of Allowance to Staff at Debden;
3. thereafter, to consider what flat rate payment, within a maximum of £230 a year, should be offered to Staff above the level of Class I.

CT.6002

It was agreed that a report in general terms be made to the Court of the following day.

*J. C. Lyngby*  
Deputy Secretary.



WEDNESDAY, THE 30TH OCTOBER 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

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

1. The Quarterly Report of the CHARITABLE APPEALS COMMITTEE.
2. An amendment to REGULATIONS affecting the General Conduct of Business at Head Office and the Branches and relating to the Internal Administration of the Bank.

The monthly report on INDUSTRY AND FINANCE was also submitted.

With reference to Minutes of the previous week and earlier, Mr. Davies attended and advised the Committee of the negotiations with the Staff Organisation on the compromise PAY proposals. He outlined three particular areas of difficulty and, after discussion of the issues involved, the Committee concluded as follows -

- C7 60 02
1. in an endeavour to secure agreement, the flat rate payment offered to Staff above the level of Class I could be raised from £230 a year to £250;
- lan*

2. it would not be appropriate to respond to the request for an allowance for Branch Staff;
3. although, as previously agreed, the Bank would be prepared to start negotiations on the findings of the comparability exercise on salaries at the appropriate time, they would not give any specific undertakings on this matter in advance.

The Governor spoke briefly to the Committee about -

- CT 90 1. His meeting the previous week with the CLEARING BANK CHAIRMEN.
- CT 218 2. Proposals with regard to FINANCE FOR INDUSTRY LTD.

*W. A. Taylor*  
Secretary.

WEDNESDAY, THE 6TH NOVEMBER 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Lord Robens  
Sir Val Duncan

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

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

The Quarterly Report of the AUDIT COMMITTEE and a further special Report on standards of accuracy in the Bank.

The Quarterly Report of the COMMITTEE TO CONSIDER THE SECURITIES OF CERTAIN FUNDS.

The following were also submitted -

1. The accounts of the Superannuation Fund, the Widows' Annuity Fund and the 1965 Widows' Fund for the year ended the 28th February 1974.
2. A statement of OFFICIAL RESERVES at the end of October.
3. A statement of FORTHCOMING RETIREMENTS.

With reference to Minutes of the previous week and earlier, Mr. Davies attended and informed the Committee of details of the PAY adjustments negotiated with the Technical and Services Staff. The proposed awards were modest and, if a settlement with the Banking Staff were to be unduly delayed, consideration would have to be given to concluding the settlement with the Technical and Services Staff alone.

CT 6002



Mr. Davies said that, because of the annual committee elections, little further progress had been made in negotiations with the Banking Staff; and he acquainted the Committee of the proposed response to official requests to the Bank from the Association of Scientific Technical and Managerial Staff for recognition and representational facilities.

CT 61  
CT 318  
CT 190  
The Governor acquainted the Committee of the steps taken to secure funds for FINANCE FOR INDUSTRY LIMITED and he discussed with the Committee the further action that the Bank might take to strengthen its links with industry.

*Manager*  
*Secretary*

WEDNESDAY, THE 13TH NOVEMBER 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Eric Roll  
Sir Val Duncan

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

CT 218  
CT 70.02 The Governor spoke to the Committee about the Chancellor of the Exchequer's Budget Statement to Parliament the previous day, mentioning particularly FINANCE FOR INDUSTRY LTD. and the renewal of credit control arrangements, both of which had been the subject of press releases by the Bank.

A Report of the STAFF COMMITTEE recommending the adoption of the rules of the Bank of England Pension Fund was submitted and referred to the Court of Directors.

The Quarterly Report on ERRORS AND OMISSIONS was also submitted.

With reference to Minutes of the previous week and earlier, Mr. Davies attended to put before the Committee details of PAY proposals formulated as a result of his further discussions with the Staff negotiators. The proposals comprised -

- CT 60.02
1. Restoration of 1972 differentials for Class I Staff (and related adjustments) together with flat-rate payments of £250 for other staff below Administrative rank and £300 for Administrative Staff.
- h.w.

2. An increase in the London Allowance to £350 and other Town Allowances of £250 at Debden and £55 at the Branches and in Glasgow.
3. An Installation Allowance of a maximum of £550 in lieu of phasing out the London Allowance of Staff posted to a Branch.

Mr. Davies discussed with the Committee a number of other proposals that had been advanced in the course of negotiations, and the Committee took the view that the Bank had gone as far as it properly could to enhance the 1974 pay award and that further money and specific assurances of future action could not be given at this time. It was agreed to recommend to the Court a settlement on the lines proposed effective from the 1st October 1974.

*W. A. Taylor*  
Secretary



WEDNESDAY, THE 20TH NOVEMBER 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing

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

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

1. A Report of the COMMITTEE ON PERMANENT CONTROL OF EXPENDITURE.
2. A Minute of the CHARITABLE APPEALS COMMITTEE on a donation.

The monthly BANKING FIGURES as at the 16th October were also submitted.

The Deputy Governor reported that MESSRS.DELOITTE & CO. had invited the Bank's consideration of their fees, last generally revised in 1970, and had suggested an increase of 35% in respect of the balance sheet audit and lesser rises for the other audits. These increases were regarded as reasonable and had been agreed.

The Governor informed the Committee of an approach from Lord Franks for financial support for the Oxford Historic Towns Trust's production of a London volume of the Historic Towns Atlas. He proposed a contribution by the Bank of £1,000: and the Committee concurred.

*Wm*

The Governor also spoke to the Committee about -

CT 12

1. His recent visit to KUWAIT.
2. A proposal by the LORD MAYOR for a series of engagements at the Mansion House with the objective of improving relations and understanding between the City, Whitehall and Parliament.

*Secretary.*

WEDNESDAY, THE 27TH NOVEMBER 1974

Present:

The Governor  
The Deputy Governor  
Lord Nelson  
Sir Maurice Laing  
Sir Eric Roll

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


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

1. A Minute on APPOINTMENTS recommended by the Governors.
2. A Report of the STAFF COMMITTEE on the Chief of Establishments' Review of Premises and the Technical and Services Staff.

With reference to Minutes of the 13th November and earlier, Mr.Davies reported that settlement of the PAY negotiations on the basis approved by the Court of the 14th November had been reached at a meeting of the Joint Negotiating Council that day. While there were still a number of issues about which the Staff Representatives had reservations and which they would undoubtedly wish to pursue further, Mr.Davies said that it was satisfactory to be able to report that the Bank's main proposals had been accepted.

With reference to Minutes of the 21st August and earlier, the Deputy Governor reported on the current state of the support operations relating to FRINGE BANKS and gave the Committee an indication of the size of the

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help and the extent of possible losses that the support group, and the Bank of England, might have to sustain. He emphasised that the figures of possible losses were necessarily very imprecise and that the continuing  
CT 90  disarray in the property market was a major contributory factor to the present difficulties affecting fringe banks.

The Deputy Governor also spoke to the Committee about the BRITISH INSTITUTE OF MANAGEMENT Board Room discussion held at the Bank the previous day.

*W. Taylor*  
Secretary

WEDNESDAY, THE 4TH DECEMBER 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Lord Robens

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

CT 90  
CT 99  
CT 190  
After commenting on the weekly figures and the state of the markets, the Governor discussed with the Committee in general terms the current financial situation. He mentioned particularly his useful meetings earlier in the week with accountants and with industrialists and said that he would be meeting the Committee of London Clearing Bankers that afternoon.

A Minute of the CHARITABLE APPEALS COMMITTEE on a donation was read and referred to the Court of Directors.

The following were also submitted -

1. A statement of OFFICIAL RESERVES as at the end of November.
2. The monthly report on INDUSTRY AND FINANCE.

CT 169  
The Governor acquainted the Committee that Lord Trevelyan, President of the COUNCIL OF FOREIGN BONDHOLDERS, had asked that the City's subsidy to the Council be continued next year at £15,000. It was proposed to seek contributions on the same basis as last year from -

Clearing Banks	£5,500
British Insurance Association	£1,350
Association of Investment Trusts	£500

and that the Bank should contribute the balance of £7,650.

10/11

The Deputy Governor mentioned to the Committee that, after prolonged planning difficulties, it seemed possible that construction of the proposed new building for the Bank in Glasgow, to incorporate both a NOTE CENTRE and the functions of the GLASGOW OFFICE, could now proceed. Certain modifications would be needed, notably an increase in the height of the planned building, and the increase in building wages and materials in the period since 1971 when the project was first evaluated, would raise overall costs to an estimated £2.8m. The Committee accepted that new premises were needed in Glasgow and reaffirmed the Court's agreement in principle, given in March 1972, that the project should go forward.

*T. 19.09*  
*h. naylor*  
*Secretary*



WEDNESDAY, THE 11TH DECEMBER 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Sir Eric Roll  
Sir Val Duncan

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

It was agreed to recommend to the Court of Directors that, in pursuance of the policy of recruiting economists on short-term contracts, which was approved by the Court on the 17th March 1960, JOHN STANTON FLEMMING, aged 33, at present a fellow of Nuffield College, Oxford, be appointed to the service of the Bank with effect from the 2nd January 1975, on the following terms -

1. The appointment to be temporary and non-pensionable; to be for a period of one year to date from the 2nd January; to be terminable at any time on three months' notice in writing on either side and to be conditional on his agreeing to waive the right to any redundancy payment to which he may become entitled.
  2. Salary to be £7,650 a year: to be reviewed whenever salaries and London Allowance for permanent Banking Staff are reviewed. The Bank to pay, during the period of service, both his and the employer's contributions to the Federated Superannuation System for Universities.
  3. Annual paid leave of absence to be 30 working days in a completed year of service ending on the anniversary of the date of appointment and proportionately in an incomplete year of service; pay during sickness to be three months.
  4. The conditions of service for staff employed on short-term contracts to apply.
- h*

The Governor acquainted the Committee of the following matters -

- C7. 204
1. The forthcoming secondment of [REDACTED] to the [REDACTED].
  2. His discussions at the monthly meeting of the BANK FOR INTERNATIONAL SETTLEMENTS in Basle the previous weekend.
  - C7. 11      3. His proposed visit to NIGERIA.

The Deputy Governor spoke to the Committee regarding the position of former Governors and Executive Directors who were currently in receipt of pensions under the COURT PENSION SCHEME and whose pensions were last increased in 1970. In discussion, the need to enhance these pensions was accepted and it was agreed that relevant figures be produced for consideration by the Committee.

C7 7001

*P. Anaylor*  
Secretary

WEDNESDAY, THE 18TH DECEMBER 1974

Present:

The Governor  
The Deputy Governor  
Sir Maurice Laing  
Lord Robens  
Sir Eric Roll

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

A Minute of the CHARITABLE APPEALS COMMITTEE on the granting of a donation was read and referred to the Court of Directors.

A statement of the OVERSEAS TRADE FIGURES for November was submitted.

With reference to a Minute of the previous week the Committee considered details of benefits currently being paid under the COURT PENSION SCHEME and it was agreed to recommend to the Court of Directors that, with effect from the 1st July 1974, the pensions and ex gratia allowances in payment to former Members of the Court in respect of their exclusive services, be increased by 35% in the case of those Members who retired before the 1st July 1970 and by 14% in the case of Lord O'Brien: no part of these increases to be commutable.

The Governor discussed with the Committee the situation regarding THE DIRECTION.

*P. Taylor*  
Secretary.

TUESDAY, THE 24TH DECEMBER 1974

Present:

The Deputy Governor  
Sir Val Duncan  
Mr. Cadbury (as Alternate)

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

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

1. A Minute on APPOINTMENTS recommended by the Governors.
2. A Report of the Staff Committee on gratuities for EFFICIENCY AND ECONOMY SUGGESTIONS.
3. A further Report of the Staff Committee on BANKING STAFF RESIGNATIONS.
4. A recommendation of the Governors on the commutation arrangements for P.J.KEOGH.
5. Sir Sidney Greene's request for permission to join the Board of the RIO TINTO-ZINC CORPORATION LTD.

LT 7024

The Banking Figures as at the 20th November and the Quarterly Analysis of Bank Advances were also submitted.

*P. A. Taylor*  
Secretary.

