

COMMITTEE OF TREASURY
MINUTE BOOK

78

WEDNESDAY, THE 8TH JANUARY 1975

Present:

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

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

The following were submitted -

1. A Report by Sir Sidney Greene and Mr. Weir on their visit to the LIVERPOOL BRANCH.
2. A statement of OFFICIAL RESERVES at the end of December.
3. The monthly report on INDUSTRY AND FINANCE.

CT 104 The Governor spoke to the Committee about the course of the E.E.C. Finance Ministers' meeting held in London the previous day: and about his recent visit to CT 11 Nigeria, where he had been warmly received.

CT 70.23 With reference to a Minute of the 18th December 1974, the Governor informed the Committee of his intention to write forthwith to the Chancellor of the Exchequer recommending the reappointment to the Court of the Deputy Governor and the four Directors whose terms of office would expire on the 28th February.

Laing
Secretary

WEDNESDAY, THE 15TH JANUARY 1975

Present:

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

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

It was agreed to recommend to the Court of Directors -

I. That DAVID GEORGE HOLLAND, aged 49, be appointed a Deputy Chief of the Economic Intelligence Department at a basic salary of £13,680; the appointment to take effect from the 1st April 1975 or such later date as the Governors may determine.

CT 60 01

II. That, in order to give greater cohesion and drive to its data processing activities, the Management Services Department should be reorganised. Accordingly, it is proposed that, with effect from the 20th January 1975 -

(a) In place of its present two Divisions -
Project Division and Head Office
Computer Centre - there will be four
Divisions -

Data Processing
Planning and General Studies
Business Systems
Job Evaluation

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(b) [REDACTED], an Adviser (Management Services), (Grade I) should be appointed the Data Processing Manager on his present salary scale.

CT. 60. 41

With reference to Minutes of the 27th November 1974 and earlier, the Deputy Governor acquainted the Committee of the present situation regarding the support operations for the BURMAH OIL COMPANY, mentioning in particular the difficulties that were being encountered in connection with the Company's existing borrowings and the problems of financing capital expenditure commitments.

CT. 220

W. Taylor
Secretary.

WEDNESDAY, THE 22ND JANUARY 1975

Present:

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

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

A Minute on APPOINTMENTS recommended by the Governors was read and referred to the Court of Directors.

On other staff matters -

- CT 61
1. Mr. Davies informed the Committee of a meeting that had been held with officials of the Conciliation and Arbitration Service regarding attempts by A.S.T.M.S. to obtain formal representational rights within the Bank. The Committee agreed that there was no advantage to be gained, at this time, in accepting the offer of a meeting with A.S.T.M.S. under the auspices of the C.A.S.

- CT 63.02
2. The Governor acquainted the Committee of his exchange of correspondence with the Chancellor of the Exchequer on the subject of the Bank's 1974 PAY AWARDS.

The monthly BANKING FIGURES as at the 11th December were submitted.

CT 220

With reference to Minutes of the previous week and earlier, further developments in the BURMAH OIL support arrangements were outlined and it was reported that the relevant Bank guarantees would be submitted to the Court of the following day for sealing. The Governor discussed with

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the Committee certain special features of the arrangements relating to the value of the Company's holding of B.P. shares and the possible treatment of any profits that might arise on their eventual disposal.

Finally, the Governor spoke in general terms regarding the current state of the U.K. ECONOMY, with particular reference to the advice that the Bank were giving to Government. He said that the position he had taken in talks with both the Prime Minister and the Chancellor of the Exchequer was that the first objective of Government should be to tackle inflation: and he discussed with the Committee possible ways in which this might be achieved.

Laing
Secretary.

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WEDNESDAY, THE 5TH FEBRUARY 1975

Present:

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

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

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

1. In connection with the ANNUAL REVIEW OF STAFF -

A Minute on Appointments, etc., recommended by the Governors;

A Minute of the Staff Committee recommending certain Gratuities; and

A Minute on a Gratuity recommended by the Governors to a member of the Printing Works Staff.

2. From the AUDIT COMMITTEE -

The Quarterly Report together with the Annual Review of the Committee's work.

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

The following were also submitted -

CT 81.01 1. A statement of OFFICIAL RESERVES at the end of January.

2. The monthly report on INDUSTRY AND FINANCE.

3. A statement of FORTHCOMING RETIREMENTS.

W. H. Taylor
Secretary.

WEDNESDAY, THE 12TH FEBRUARY 1975

Present:

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

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

A Minute of the Governors on the rescission of an APPOINTMENT was read and referred to the Court of Directors.

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 appointment be made -

| | |
|--|--|
| [REDACTED], Deputy Chief of the Overseas Department, | to be 1st Deputy Chief of the Overseas Department. |
|--|--|

2. The following be granted Personal Pensionable Salary -

| | |
|---|---------------------|
| M.J.THORNTON, M.C., Chief of the Economic Intelligence Department | £1,500 (additional) |
|---|---------------------|

R.P.FENTON, C.M.G.,
Chief of the Overseas
Department

P.A.S.TAYLOR,
Secretary

K.J.S.ANDREWS, M.B.E.,
Chief of Establishments

M.J.S.CUBBAGE, M.B.E.,
General Manager,
Printing Works

R.C.H.HALLETT,
Adviser to the
Governors

£750 (additional)

£750

A Report from Lord Nelson and Mr.Fforde on their visit to the SOUTHAMPTON BRANCH was submitted.

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The Deputy Governor acquainted the Committee of the probable main features of the ACCOUNTS of the Banking Department for the current year, and mentioned in particular the considerations that were likely to lead the Bank to make substantial provisions for losses and for pensions in the Profit and Loss Account. In connection with the pensions provision, he spoke of the possibility of recouping from the Treasury an appropriate proportion of the extra liability resulting from salary and pension increases during the current year: if this were done, there might be scope for the payment of a "dividend" out of the year's profits, albeit at a lower level than in 1974.

Secretary

WEDNESDAY, THE 19TH FEBRUARY 1975

Present:

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

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

A Report of the STAFF COMMITTEE on the Security Force was submitted and referred to the Court of Directors.

The following were also submitted -

1. The OVERSEAS TRADE FIGURES for January.
2. The monthly BANKING FIGURES as at the 15th January.

CT 220
The Deputy Governor acquainted the Committee of correspondence with a stockholder in the BURMAH OIL COMPANY LIMITED who had objected to the Bank's acquisition of Burmah's former holding of British Petroleum stock. The stockholder had renewed his representations in a letter dated the 13th February, copies of which had been sent to Members of the Court; and the Deputy Governor agreed with the Committee the terms of the reply which he proposed to send.

CT 90
The Deputy Governor also mentioned the "blacklisting" by ARAB STATES of certain U.K. banking houses. He said that the Bank were keeping in close touch with the problem and, in so far as was possible, were seeking to prevent Press and public comment from inflaming the situation.

Handwritten signature
Secretary

WEDNESDAY, THE 26TH FEBRUARY 1975

Present:

The Deputy Governor
Sir Maurice Laing
Lord Robens

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

With reference to the recent quinquennial valuation of the affairs of the BANK PROVIDENT SOCIETY, it was agreed to recommend to the Court of Directors that the Actuary's recommendations - which had been accepted by the members of the Society at the Annual General Meeting - be approved and that authority be given to the Managers of the Society to declare a Compound Reversionary Bonus of £3.25 per cent per annum for the five years ended the 30th November 1974 on the sums assured and bonuses existing on that date. Further, that they be given authority to pay an interim bonus at the rate of £2.50 per cent per annum on claims which have arisen or which may arise between the 1st December 1974 and the 30th November 1979.

The Annual Report of the CHARITABLE APPEALS COMMITTEE on Subscriptions and Donations, together with a Minute dated the 20th February on the granting of a donation, were submitted and referred to the Court of Directors.

The quarterly return of ERRORS AND OMISSIONS was also submitted.

Mr. Davies attended and discussed with the Committee his note of the 24th February on "SALARY DIFFERENTIALS". He emphasised that it was important

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that the Bank should avoid giving a commitment to the staff to maintain some specific salary advantage over the clearing banks throughout the rank structure. It was no less important, however, to avoid giving the impression that there could never be a differential in favour of Bank staff: the aim should be to retain maximum flexibility and freedom of action to respond to changing circumstances. The Committee concurred and also agreed that, in the current climate and despite moves towards indexation of pay by certain public sector bodies, the Bank would be right to try to remain within the guidelines of the "social contract" for as long as this proved possible.

10.11.60
Secretary.

WEDNESDAY, THE 5TH MARCH 1975

Present:

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

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

Two Reports of the COMMITTEE ON PERMANENT CONTROL OF EXPENDITURE on the following subjects were submitted and referred to the Court of Directors -

1. Revision of the Committee's Terms of Reference.
2. A forecast of current expenditure, together with allotments to Heads of Departments, for the year ending the 29th February 1976.

The following were also submitted -

1. A Report by Sir Eric Roll and Mr. Clay on a visit to the MANCHESTER BRANCH.
2. A statement of OFFICIAL RESERVES at the end of February.

The Governor acquainted the Committee of the following matters -

1. He was currently considering how to respond to an invitation to the Bank to give evidence to the PARLIAMENTARY SELECT COMMITTEE ON PUBLIC EXPENDITURE.
2. He had received a letter from Sir Douglas Wass asking the Bank to bring influence to bear upon

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the clearing banks to exercise restraint in dealing with claims by the NATIONAL UNION OF BANK EMPLOYEES for pay awards in excess of what could be justified by the "social contract". The Governor said he would renew his earlier representations to the clearing bank Chairmen when they met at the Bank that afternoon.

P. A. A. A.
Secretary

MEMBERS OF THE COMMITTEE OF TREASURY

FOR THE YEAR 1975/76

THE GOVERNOR

THE DEPUTY GOVERNOR

LORD NELSON

SIR MAURICE LAING

LORD ROBENS

SIR ERIC ROLL

SIR VAL DUNCAN

WEDNESDAY, THE 12TH MARCH 1975

Present:

The Governor
The Deputy Governor
Lord Nelson
Lord Robens

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

It was agreed to recommend to the Court of Directors -

A. That the following Committees be appointed for the year ensuing:-

STAFF COMMITTEE

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

DEBDEN COMMITTEE

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

AUDIT COMMITTEE

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

COMMITTEE TO CONSIDER
THE SECURITIES OF
CERTAIN FUNDS

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

CHARITABLE APPEALS
COMMITTEE

SIR MAURICE LAING
MR.McMAHON
MR.DOW

THE SECRETARY (ex officio)

COMMITTEE ON BANK
PREMISES

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

COMMITTEE ON PERMANENT
CONTROL OF EXPENDITURE

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

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

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

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The Governor acquainted the Committee of the need to add to the stock of high sum "notes" used for setting aside as backing for the non-fiduciary part of the Scottish and Irish bank note issues. Hitherto, formal authority of the Court had been obtained for the printing of these "notes", but since they were only used as internal accounting documents it seemed unnecessary to continue to concern the Court with this matter. The Committee concurred.

Secretary
Secretary

WEDNESDAY, THE 19TH MARCH 1975

Present:

The Governor
The Deputy Governor
Sir Maurice Laing
Lord Robens

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

A note by Mr.Davies on salaries of ELECTRONIC DATA PROCESSING STAFF was submitted and referred to the Court of Directors.

A statement of OVERSEAS TRADE FIGURES for February was also submitted.

CT 20.04
SEC 10.01

The Deputy Governor laid before the Committee a statement of the ESTIMATED OPERATING PROFIT of the BANKING DEPARTMENT for the year ended the 28th February 1975. He spoke in particular about the likely size of provisions that would be needed in respect of pensions and doubtful debts; and said that the Bank's ability to maintain the level of the payment to H.M.Treasury in lieu of dividend depended upon the receipt from the Treasury of an additional contribution towards the exceptional pension provision required to cover pay awards to staff and pensioners in 1974.

Secretary
Secretary.

WEDNESDAY, THE 26TH MARCH 1975

Present:

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

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

With reference to a Minute of the previous week regarding the operating profit of the BANKING DEPARTMENT for the year ended the 28th February 1975, 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.

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

1. Two Minutes on APPOINTMENTS recommended by the Governors.
2. A Report of the STAFF COMMITTEE on Banking Staff resignations.
3. Mr. de Rothschild's request for permission to join the Board of CORPORACION FINSERVICA C.A.

The monthly Banking Figures as at the 19th February and the Quarterly Analysis of Bank Advances were also submitted.

The Governor mentioned to the Committee certain proposals that were currently under consideration regarding

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the possible extension of the Bank's work in relation to industry. There was general acceptance of the idea, in principle, and discussion of the ways and means by which it might be accomplished.

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Secretary

THURSDAY, THE 3RD APRIL 1975

Present:

The Governor
The Deputy Governor
Lord Robens
Sir Eric Roll

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 retirement of R.C.H.Hallett, an Adviser to the Governors, the following appointments be made in the Cashier's Department with effect from the 2nd July 1975 -

CR 60.01
J.L.SANGSTER,
Adviser (Foreign Exchange),

to be a Deputy Chief
Cashier at a basic
salary of £15,750.

D.A.H.BYATT,
an Assistant Chief Cashier

to be Adviser (Foreign
Exchange) on the salary
scale applicable to an
Adviser Grade I.

CR 57.01
A statement of OFFICIAL RESERVES at the end of
March was also submitted.

Secretary
Secretary

WEDNESDAY, THE 9TH APRIL 1975

Present:

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

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

The following were submitted -

1. EXCHEQUER FINANCE figures for the year ended the 31st March 1975.
2. The monthly report on INDUSTRY AND FINANCE.

With reference to Minutes of the 10th July 1974 and earlier, Mr. Davies attended and discussed with the Committee his note of the 8th April concerning housing loan arrangements in the case of [redacted] Mr. Davies recalled the circumstances that had led the Bank to require [redacted] to resign from the service in February 1973 and described the course of events since that date. He outlined possible ways in which [redacted] indebtedness might be discharged or reduced out of the sale proceeds of his house. There was general agreement that the Bank's aim should be to limit and, if possible, terminate their direct financial involvement in this case and Mr. Davies undertook to see whether the Bank could use their influence to obtain local authority housing for the [redacted] family. If this were possible the Bank should recoup the debt owing to them on the sale of the house. Any further assistance that it might be decided to give to the family should be provided to or through [redacted].

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CT.61.07 The Deputy Governor mentioned to the Committee outline proposals for financial help for the Bank's SAILING CLUB, possibly involving a grant by the Bank of £10,000 and an interest free loan of £5,000. The Committee agreed that help of this order would be appropriate.

CT.190-
CT.60.01 The Governor acquainted the Committee of his wish to involve Sir Henry Benson in the establishment and operation of the INDUSTRIAL UNIT about which he had spoken to the Court of the 27th March. Sir Henry Benson was known to be available and the Committee encouraged the Governor to seek his services.

H. Taylor
Secretary.

WEDNESDAY, THE 16TH APRIL 1975

Present:

The Governor
The Deputy Governor
Sir Maurice Laing
Sir Val Duncan

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

The Governor discussed with the Committee the proposals that had been made by the Chancellor of the Exchequer in his BUDGET SPEECH to Parliament the previous day and commented on the first reactions to them in the various markets.

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

1. Sir Val Duncan's report on his visit to the LAW COURTS BRANCH.
2. Mr. Clay's request for permission to join the Board of BERKELEY HAMBRO PROPERTY COMPANY LIMITED.

The Governor acquainted the Committee of the following matters -

1. The forthcoming visit of MR. SVESHNIKOV, Chairman, State Bank of the U.S.S.R.
2. The Bank's biennial CENTRAL BANKING COURSE would be assembling shortly.
3. He was holding another in the regular series of meetings with CLEARING BANKERS that afternoon, at which both Chairmen and Chief Executive Officers would be present.

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CT 90

The Deputy Governor reported to the Committee on the situation arising out of the failure of the ISRAEL-BRITISH BANK LIMITED. He said efforts to persuade the Israeli authorities to assume responsibility for the London bank had not been successful, but there was hope that the position of depositors here would be improved if a joint liquidation of the associated London and Tel Aviv banks could be achieved. This, in turn, would probably depend upon the Bank of England's willingness to make a substantial financial contribution - possibly of the order of £2 million - towards the London bank's deficiency. After discussing with the Governors the likely effects of alternative courses of action, the Committee agreed that it would be right to seek a solution on the lines that the Deputy Governor had advocated.

W. A. G. Taylor
Secretary.

WEDNESDAY, THE 23RD APRIL 1975

Present:

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

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

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67.190
It was agreed to recommend to the Court of Directors that SIR HENRY ALEXANDER BENSON, G.B.E., be employed by the Bank with the rank of Adviser to the Governors with effect from the 1st May 1975. The appointment to be non-pensionable and Sir Henry Benson to receive remuneration at the rate of £15,000 a year.

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

1. A Minute on APPOINTMENTS recommended by the Governors.
2. Two Reports of the STAFF COMMITTEE on the following subjects -
 - (i) Examination Gratuities and Supplements.
 - (ii) The Chief of Establishments' review of salary policy and fringe benefits.

The following were also submitted -

1. A statement of FORTHCOMING RETIREMENTS.
2. The monthly BANKING FIGURES as at the 19th March.

The Deputy Governor mentioned to the Committee that a review had been undertaken of the present COURT PENSION SCHEME in the light of recent pension legislation

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and the resultant changes in the Staff Pension Scheme. The principal objective had been to produce in outline a scheme which would be sufficiently flexible to provide appropriately for the differing circumstances and needs of the Members. It was now necessary to seek the expert advice of pensions consultants regarding the nature and scope of a new scheme and its funding. The Committee agreed that this advice should be obtained.

Manager
Secretary.

WEDNESDAY, THE 30TH APRIL 1975

Present:

The Deputy Governor
Lord Nelson
Sir Maurice Laing

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

A statement of FORTHCOMING RETIREMENTS was submitted.

Mr. Davies attended to speak on the general subject of collective bargaining, with special reference to two notes on PROVISION OF CARS and on HOUSING LOANS FOR MARRIED WOMEN. On housing loans, he said that the Sex Discrimination Bill would require the Bank to allow married women equal access to the housing loan scheme and, accordingly, it was important to decide whether the Bank would accept the capital commitment implicit in extending the housing loan facility to married women unchanged or whether the terms of the scheme should be hardened to offset all or part of the additional cost. After discussion of the alternatives, the Committee agreed that the Bank should not accept a commitment merely to extend the scheme on its present basis: accordingly means should be sought of imposing an effective limit on the capital tied up in the scheme. It was further suggested that -

- (i) there should be a full exchange of views with other City employers who offered similar housing loan facilities to staff;
- (ii) consideration might be given to arrangements whereby junior staff could participate in a savings scheme prior to qualifying for a housing loan;

(iii) necessary adjustments at this time to the housing loan scheme should not preclude a later fundamental reappraisal of the scheme as a whole.

Mr.Davies went on to explain that consideration of possible provision of cars resulted from the findings of the comparability exercise which related Bank pay and fringe benefits to those of the clearing bankers. Cars were one of two important areas - the other being free medical insurance - in which the Bank did not match clearing bank practice and it was necessary to decide whether the Bank were prepared to provide cars for staff and, if not, the extent to which financial compensation might be provided. Drawing on their experience in their own businesses, Members of the Committee were unanimous in the view that it would be wrong for the Bank to embark upon such a course. This being so, it would be proper to look at the results of the comparability exercise as a whole and to negotiate, as the Bank had promised earlier, about any important discrepancies or inequalities that might be revealed. The Committee did not, at the present stage, rule out the possibility of Bank loans for car purchase.

Finally, Mr.Davies said that the findings of the comparability exercise on salaries showed that pay levels in the Bank and in the clearing banks were approximately level. Bank staff had recently done less well in percentage terms than clearing bank staff and it seemed likely that he would be pressed to move towards restoring the differentials that Bank staff had traditionally enjoyed. The reasons for such differentials rested mainly on the grounds that the Bank expected and obtained a higher quality of performance; how far they should now be restored would need careful consideration.

H. G. Davies
Deputy Secretary

WEDNESDAY, THE 7TH MAY 1975

Present:

The Governor
The Deputy Governor
Lord Nelson
Sir Val Duncan

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

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A Report of the COMMITTEE ON BANK PREMISES on plans for the new building for the Bank in Glasgow was submitted and referred to the Court of Directors.

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5760.02
With reference to Minutes of the 30th April and earlier, Mr.Davies attended and discussed with the Committee his paper of the 5th May on the COMPARABILITY EXERCISE ON SALARIES. It was recalled that the Committee had agreed that the Bank should refuse to give a commitment to maintain some specific salary advantage over the clearing banks throughout the rank structure. Nevertheless, while in no way seeking to extend through the structure the higher levels of starting salaries payable on entry to the Bank, it would seem reasonable to aim to maintain a modest differential on the grounds that the Bank expected and obtained a higher quality of performance. Mr.Davies then referred to the October pay agreement and to the understanding that, if the findings of the comparability exercise showed that the staff were in an adverse position, the Bank would implement whatever was negotiated as their initial payment on this score from the date on which the revised salary scales were introduced, namely the 1st October 1974. Though it was now being claimed by the Staff Organisation that current Bank salaries would have to

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be enhanced by about 10% to re-establish the relative positions at the 1st January 1974, he was proposing, as a somewhat arbitrary move, an addition to managerial salaries averaging 5%, half of which might be paid now, and back-dated to the 1st October 1974, and the balance at the 1st October 1975. The application of such an award to the bargaining unit would represent 2.4% of the salary bill and, if back-dated, that part would raise the increase for the year in total payments to Banking Staff from 23½% of the pay bill to between 25% and 26%. He added that it would be difficult to exclude from this transaction senior staff not embraced by the bargaining unit. It was therefore proposed to explore the possibility of extending the comparisons made in the recent exercise to a sample of senior posts.

The Committee felt that it was scarcely possible within the same twelve-month period to make a further payment in addition to the settlements reached in July and October. They agreed that there should be no presumption from the results of the comparability exercise that differentials existing a year ago should be restored. Further, as far as salaries alone were concerned, the findings did not in their view show an "adverse position" in the terms of the Joint Negotiating Council's agreement. They recognised, however, that it was reasonable to acknowledge the quality of the staff's work by aiming generally to have a modest margin over clearing bank salaries. The Committee thought it would be imprudent to extend the comparability exercise to senior staff, since it was clear that at some point Bank salaries customarily fell below clearing bank salaries; and this indeed seemed to be right.

It was clear that in the field of fringe benefits the Bank staff were at a disadvantage. Mr. Davies pointed out that in the study of "remuneration" both salaries and fringe benefits had from the outset been intentionally

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embraced. The Court had decided not to provide cars, but the staff would expect something in compensation. The Committee discussed the status of cars not used for business purposes in the eyes of the Inland Revenue.

Further consideration of this item was then adjourned.

W. H. H. H.
Secretary

WEDNESDAY, THE 14TH MAY 1975

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 submitted and referred to the Court of Directors -

1. The Quarterly Report of the COMMITTEE TO CONSIDER THE SECURITIES OF CERTAIN FUNDS.
2. The Quarterly Report of the CHARITABLE APPEALS COMMITTEE.

cf 57.
The Governor mentioned to the Committee the situation regarding ST.MARGARET'S, LOTHBURY, the Bank's parish church, for which about £100,000 was wanted to effect urgently needed repairs to the foundations and fabric. An appeal launched a year ago had had very limited success and, with the recent example of the successful appeal on behalf of St.Michael's, Cornhill, it seemed right that the Bank should do what they properly could to further this cause. The Committee agreed that the Governor might seek to involve Sir John Prideaux (and possibly Lord O'Brien) in widening the appeal; and Sir Maurice Laing said that he would be prepared to recommend to his colleagues on the Charitable Appeals Committee that the Bank should make a donation of £10,000.

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The Deputy Governor informed the Committee that the Bank were taking steps to meet a request from H.M.Treasury for a contribution towards reducing planned LEVELS OF PUBLIC EXPENDITURE (capital and current) in the year 1976/77, as a response to the Chancellor of the Exchequer's call for a reduction in demand and in the public sector deficit.

CF 60.02

With reference to Minutes of the previous week, Mr.Davies attended and discussed with the Committee his note "PAY 1975" of the 13th May. He took the view that, given the stance that the Bank was taking over the results of the comparability exercise, the most acceptable course of action would be to offer to the Staff an orthodox general settlement from the 1st July, together with a small sum to be applied as an addition to managerial salaries to improve, as appropriate, salary levels in particular areas. The Committee emphasised the need for the Bank to work closely in concert with the clearing banks, who were also currently engaged in pay negotiations. They agreed to recommend to the Court an offer to the Staff of an award equivalent to the rise in the cost of living as shown by the percentage increase in the Retail Price Index between May 1974 and May 1975, reduced by whatever element of that increase was shown to be attributable to the taxation increases made by the Chancellor in his April Budget. And, additionally, a sum of not more than 1½% of the pay bill, to be used to restructure managerial salaries in the manner proposed by Mr.Davies.

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Mr.Davies also acquainted the Committee of the circumstances which had led to the suspension of certain staff at the PRINTING WORKS, and the consequent disruption of note production.

W. Taylor
Secretary

WEDNESDAY, THE 21ST MAY 1975

Present:

The Deputy Governor
Sir Maurice Laing
Lord Robens

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, etc., recommended by the Governors.
2. A Report of the Staff Committee on the appointment of a DEPUTY SECURITY OFFICER.
3. The Quarterly Report of the AUDIT COMMITTEE.
4. A Minute of the CHARITABLE APPEALS COMMITTEE on the granting of a donation.

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

With reference to Minutes of the previous week and earlier, Mr. Davies attended and reported on the current state of his negotiations with the Staff Representatives on the 1975 PAY AWARD. He put the case for seeking a settlement on the basis of a main award of 24%, calculated by reference to the growth of the published Retail Price Index between June 1974 and April 1975 plus an addition to cover the remaining two months of the year which would pay appropriate regard to the accelerating pace of inflation. The Committee agreed that a settlement on this basis would be fully defensible in relation to the current guidelines

47 60.02
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and would not conflict with the public position of the Governor and the Bank in the fight against inflation. Mr. Davies said that he would give further consideration to the position arising from the comparison of fringe benefits with those of the Clearing Banks and submit proposals for discussion at an appropriate time.

L. Davies
Secretary.

WEDNESDAY, THE 4TH JUNE 1975

Present:

The Governor
The Deputy Governor
Sir Maurice Laing
Lord Robens

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 statement of OFFICIAL RESERVES at the end of May.
2. The monthly report on INDUSTRY AND FINANCE.
3. The quarterly report on ERRORS AND OMISSIONS.

With reference to Minutes of the 21st May and earlier, Mr.Davies attended and, the Committee having read his note of the 3rd June, he reported on the position of the current PAY NEGOTIATIONS. On the July 1975 pay settlement, the Committee saw no reason for varying the stand already taken that 24% across-the-board plus an amount equal to $1\frac{1}{2}\%$ of the pay bill represented the limit to which the Bank should go. On the further question of fringe benefits it was agreed that, provision of cars excluded, proposals which the Staff Organisation might make, notably in the areas of medical insurance and personal loans, would be carefully and sympathetically considered. Mr.Davies said that he would be having further informal talks with the staff representatives before the Joint Negotiating Council met to resume its discussions.

M. Taylor
Secretary.

WEDNESDAY, THE 11TH JUNE 1975

Present:

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

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

LT 61. It was agreed to recommend to the Court of Directors that G.J.COSTELLO be appointed a member of the Bank's negotiating team to serve on the Joint Negotiating Council in the place of M.J.Thornton.

CT 61. CT 60.00 Mr.de Rothschild attended: and Sir Maurice Laing, Sir Val Duncan and he reported on the meeting which they had had with the staff members of the JOINT NEGOTIATING COUNCIL on the 10th June. In discussion, members of the Committee considered the advantages and disadvantages of responding to the staff's request for a 1% improvement in the Bank's offer of a 24% settlement. It was generally conceded that, in present circumstances, there might be a balance of advantage in meeting the 25% claim, but the Committee were anxious that the Governor should take the final decision in the knowledge that he would have their full support for whichever course he decided to recommend to the Court.

CT 59 A report on awards made by the Trustees of the HOUBLON-NORMAN FUND for the year 1975/76 was laid before the Committee.

With reference to Minutes of the 16th April and earlier, the Deputy Governor reported on the current state

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CT 90

of the support operations relating to FRINGE BANKS and gave the Committee an indication of the size of the general provision against losses that might be needed in respect of operations in the year to date. He said that the Bank had felt justified in offering to make a substantial financial contribution - totalling about £5 million - towards achieving a solution in two cases of particular difficulty.

Secretary

WEDNESDAY, THE 18TH JUNE 1975

Present:

The Governor
The Deputy Governor
Sir Maurice Laing
Lord Robens

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

A statement of the OVERSEAS TRADE FIGURES for May were submitted.

CT 50
The ACCOUNTS of the Bank for the year ended the 28th February 1975 were submitted and it was agreed to recommend to the Court of Directors that they be approved and signed.

CT 50 01
CT 50 02
With reference to a Minute of the previous week, the Governor informed the Committee of the current position regarding the 1975 PAY negotiations. He said that he had spoken to the Chancellor of the Exchequer and had written to him on the 12th June setting out the grounds on which the Court had been prepared to concede a 25% settlement. There had so far been no reply to his letter, and negotiations were therefore temporarily halted. Mr. Davies attended and, commenting on the situation, stressed the danger that intervention by Government might discredit the Bank's negotiating machinery. He said that by tapering senior salaries a small reduction in the overall cost of a 25% settlement could be achieved.

M. Taylor
Secretary.

WEDNESDAY, THE 25TH JUNE 1975

Present:

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

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 R.C.Balfour, M.B.E., the Chief Accountant, the following appointments be made with effect from the 2nd October 1975 -

676601 G.J.COSTELLO () to be Chief Accountant
a Deputy Chief Cashier,
() to be a Deputy Chief
an Assistant Chief Cashier,
Cashier,

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

A Minute on APPOINTMENTS recommended by the Governors
Three Reports of the STAFF COMMITTEE on the following subjects:

1. Banking Staff resignations
2. Efficiency and Economy suggestions
3. Review of Messenger and Front Lodge Staff.

CT-201 The Accounts of the SAMARITAN FUND for the year ended 28th February 1975 were laid before the Committee and it was agreed to recommend to the Court of Directors that a grant of £387.66 be made to the Samaritan Fund.

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C760.01
C760.02
C760.06

With reference to Minutes of the previous week and earlier, the Governor acquainted the Committee of his further discussions with the Chancellor of the Exchequer on the subject of the 1975 PAY SETTLEMENT. Approval of the Bank's final offer of a 25% across-the-board increase for the bargaining unit (which, after extinguishing the outstanding claim to a refund of the July 1974 threshold payment and after allowance for the tapering of senior salaries, represented a $24\frac{1}{2}\%$ increase in the pay bill) was expected to be given by the Staff Organisation the following day. Arising therefrom, the Committee agreed to recommend to the Court that the basic increase to be applied to pensions and allowances in payment on the 1st July 1975 be 25%. On the matter of fringe benefits, the Governor agreed with the Committee that, when terms of a scheme for Personal Loans had been worked out, they should be submitted to the Court with a recommendation that the scheme be introduced forthwith.

W. A. Taylor
Secretary

WEDNESDAY, THE 2ND JULY 1975

Present:

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

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

CF 50
CF 52
It was agreed to recommend to the Court of Directors that the ANNUAL REPORT AND ACCOUNTS of the Bank for the year ended the 28th February 1975 be printed and issued.

The following were submitted -

- CF 50
1. A statement of OFFICIAL RESERVES at the end of June.
2. The BANKING FIGURES as at the 21st May.
3. The monthly report on INDUSTRY AND FINANCE.

CF 40-02
CF 40
With reference to Minutes of the previous week and earlier, Mr.Davies attended to report the agreement reached in the Joint Negotiating Council on the terms of the 1975 PAY SETTLEMENT. The Committee went on to consider Mr.Davies' note of the 2nd July on the terms of a scheme for Personal Loans: this effectively proposed the application for serving staff of a 3% rate of interest to the existing short-term Personal Loans scheme. Discussions centred mainly on the rate of interest and on the extent to which the facility might be used. It was agreed that, in recommending to the Court that the scheme be approved and introduced forthwith, the Committee's reluctance to see,

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now or in the future, any further concession in the terms of the facility should be made known.

ST 73.07
ST 40.01

The Governor spoke to the Committee about SENIOR SALARIES. He said that, following the increase in remuneration awarded with effect from the 1st July 1974 to the Executive Directors, it would be unrealistic to propose any further increase to them this year. It followed, in his view, that the salaries of Heads of Departments should likewise not be increased, and that appropriately tapered increases should be applied to the salaries of all ranks who lie between the top of the bargaining unit and the Heads of Departments. The Committee accepted that in present circumstances there was no satisfactory alternative course and gave the Governor discretion to determine the appropriate amounts of salary to be paid to those concerned.

Secretary
Secretary.

WEDNESDAY, THE 9TH JULY 1975

Present:

The Governor
The Deputy Governor
Sir Eric Roll
Sir Val Duncan

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

With reference to Minutes of the previous week and earlier on the 1975 PAY SETTLEMENT, the Governor said that detailed work on the figures suggested that there might be a need to provide some small increases at Head of Department level in order to accommodate a reasonable pattern of adjustment of senior salaries. He undertook to put proposals before the Court of the following day.

On the subject of the LONDON ALLOWANCE, the Governor said that, although official figures had been published sufficient to justify increases in the London and other Town Allowances, he was hopeful that no action would be taken by public and private sector employers while the Government's current pay discussions were proceeding.

The Governor informed the Committee that R.C.H.HALLETT would be representing the Bank at celebrations in Lusaka to mark the opening of the Bank of Zambia's new building; and it was agreed that, for the purposes of this journey, Mr.Hallett should be covered by the regulations relating to staff travelling on official business for the Bank.

It was agreed that, in future, the weekly meeting of the Committee should begin at 12 noon.

W. A. G. L.
Secretary.

WEDNESDAY, THE 16TH JULY 1975

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

A statement of the OVERSEAS TRADE FIGURES for June was also submitted.

The Governor acquainted the Committee of the recent meeting of the CITY LIAISON COMMITTEE and referred in general terms to the work of its specialist sub-committees.

CT 70.03
The Governor also referred to the BANK/T.U.C. meeting and dinner held the previous week: and he had an initial discussion with the Committee of possible Trades Union names for the Direction.

Laing
Secretary.

WEDNESDAY, THE 23RD JULY 1975

Present:

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

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 Housing Loans to Married Women and Related Matters.
3. The Quarterly Report of the CHARITABLE APPEALS COMMITTEE.

The quarterly return of ERRORS AND OMISSIONS was also submitted.

6760.02 The Governor spoke to the Committee about the LONDON ALLOWANCE. He said that he had been pressing Government to announce publicly a policy which would guide all the major employers concerned towards the common treatment of London Weighting, preferably towards non-payment of the increases which might be expected to follow the publication of the Department of Employment's report. The position was not yet clear and, after discussion, the Committee agreed that the London and Debden Allowances paid to Bank staff should be updated with effect from the 1st July if the expected Ministerial statement raised no obstacle to this.

The Deputy Governor reported the outcome of his meetings with senior staff on the 1975 Pay Settlement. He said that considerable criticism had been expressed to him of the Bank's decision in respect of SENIOR SALARIES and he understood that notes expressing the dissatisfaction of some of the staff concerned were being put forward. He drew attention to two special cases where the pension entitlements of senior members of the staff had been adversely affected: the Committee agreed that in the case of R.C.H.Hallett it would be right to allow him to amend his retirement date from the 2nd to the 1st July; but in the case of R.C.Balfour, it was considered that the circumstances did not warrant any change in the date of his retirement from the 2nd October.

R.C.H.Hallett.

Deputy Secretary.

WEDNESDAY, THE 30TH JULY 1975

Present

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

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

It was agreed to recommend to the Court of Directors that the arrangements approved by the Court on the 4th April 1974 for the engagement by the Bank of [REDACTED] for a period of two years, be terminated; and that he be re-appointed for a period of five years, from a date to be agreed, on the following Terms -

- LT 202
- (i) The appointment to be temporary; to be for a period of five years from a date to be agreed; 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.
 - (ii) Salary, including the London Allowance, to be £9,850: the Governors to be empowered to increase his salary at their discretion. During his period of service, the Bank to continue to pay premiums on endowment assurance policies, as previously agreed by the Governors, or to become a member of the Bank's Pension Fund, should it be to his advantage.
- h*

- (iii) 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.
- (iv) The conditions of service for staff employed on short-term contracts to apply.

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

- (i) The Quarterly Report of the AUDIT COMMITTEE
- (ii) Mr.Davies' notes of the 30th July on salaries of ELECTRONIC DATA PROCESSING STAFF and EXAMINATION SUPPLEMENTS.

A statement of FORTHCOMING RETIREMENTS AND SECONDMENTS was also submitted.

With reference to Minutes of the 23rd July, the Governor spoke to the Committee, Mr.Davies being present, about the situation which had arisen with regard to SENIOR SALARIES and referred to consultations which had taken place with the informal Steering Committee of Directors formed earlier to consider matters of staff representation. He explained that it was proposed to alleviate the tapering of salary increases to be applied to ranks above the top of the bargaining unit. Revised scales, illustrating the proposals, were exhibited to the Committee who, in the circumstances, approved of their implementation.

With reference to Minutes of the 4th June, the Committee considered Mr.Davies' note of the 29th July on MEDICAL INSURANCE and concluded that it was not opportune to reach a decision on the matter.

h. n. aylor
Secretary

WEDNESDAY, THE 3RD SEPTEMBER 1975

Present

The Deputy Governor
Lord Nelson
Sir Maurice Laing
Lord Robens

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

67.72.02
The Committee not having met since the 30th July, the Deputy Governor, in the course of his general review of the situation, referred to the main developments that had occurred in the markets during the month of August.

67.72.01
A statement of Official Reserves at the end of August was submitted.

67.57
The Deputy Governor spoke to the Committee about the Bank's annual contribution to the National Institute of Economic and Social Research and, more generally, about the arrangements for determining donations and subscriptions to organisations from which the Bank could be said to derive benefit. The Committee agreed that the Court be invited to increase the Bank's 1975 contribution to the N.I.E.S.R. from £2,000 to £5,000; and also that proposals be submitted for approval whereby beneficial donations be dealt with in future otherwise than through the normal mechanism of the Charitable Appeals Committee.

The Deputy Governor acquainted the Committee of the following matters -

- 67.69
1. It was proposed to seek planning permission to construct a new pedestrian entrance at the back of the Bank in Lothbury. This would involve breaching the outer wall to provide a doorway to the west of the Bullion Yard entrance.
- lan

2. The payment of a sum of money by the Bank in respect of information that had resulted in the conviction of Bank note forgers.
3. The forthcoming visits to the Bank of a party of South Koreans on the 9th September; and, on the 24th September, of a group of important industrialists from the U.S.A.
4. Correspondence with Mr.Clive Jenkins of A.S.T.M.S. regarding staff representation in the Bank.

H. Taylor
Secretary

WEDNESDAY, THE 10TH SEPTEMBER 1975

Present:

The Governor
Lord Nelson
Sir Maurice Laing
Sir Val Duncan

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

ST 191
ST 102
ST 47
In the course of a general and wide-ranging exchange of views with the Committee on the economic scene at home and abroad, the Governor referred particularly to the outcome of the Annual General Meetings in Washington of the I.M.F. and I.B.R.D. He mentioned also his proposed short visit to Hungary at the end of September.

ST 26
ST 37
It was agreed to recommend to the Court of Directors that a donation of £2,000 be made for the relief of suffering caused by the Turkish earthquake.

M. Taylor
Secretary

WEDNESDAY, 24TH SEPTEMBER 1975

Present

The Deputy Governor
Lord Nelson
Sir Eric Roll
Sir Val Duncan

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

67 81
After commenting on the weekly Figures and the state of markets, the Deputy Governor spoke of the special factors affecting the course of the sterling exchange rate against the U.S. Dollar and in overall terms against other currencies. Expressing their concern at recent trends, the Committee discussed the kind of steps that would be necessary to halt and reverse the continuing decline of sterling and the political implications of such steps.

The following were submitted -

1. A Report of the Staff Committee on Banking Staff Resignations.
2. The monthly banking figures as at the 20th August.

Handwritten signature
Secretary.

WEDNESDAY, THE 1ST OCTOBER 1975

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.

A Report of the Staff Committee on Housing Loans was submitted and referred to the Court of Directors.

Office Sec
Mr. Davies attended and outlined certain proposals currently under consideration whereby the Bank might offer training, though no expectation of subsequent employment, to a number of school-leavers who would otherwise be unemployed. After discussion, the Committee agreed that the proposals should be pursued.

The following were also submitted -

- DTG/01*
1. A statement of Official Reserves at the end of September.
 2. The monthly report on Industry and Finance.

C790
The Governor acquainted the Committee of the current position of the First National Finance Corporation Limited. He said that the unsatisfactory position revealed by the half-yearly accounts of the company had been the subject of discussion with the clearing banks; and he described the extent of the capital re-organisation that would be needed to avert an early liquidation of the company. The Committee, having considered the likely effects of a withdrawal of support, endorsed the Bank's action in seeking to keep the company in business.

1. Naylor
Secretary.

WEDNESDAY, THE 8TH OCTOBER 1975

Present:

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

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

CT 99
CT 8901
In the course of his weekly review, the Governor referred particularly to the implications for industry and for the finance of the Government's borrowing requirement of the rise in Minimum Lending Rate from 11% to 12%: and he discussed with the Committee the prospects for the U.K. economy.

The Quarterly Analysis of Bank Advances was submitted.

CT 190
CT 218
The Governor also acquainted the Committee of the progress being made towards the creation of an "equity fund". He said that he was hopeful that the new fund, although a separate entity, would fit closely alongside the existing F.F.I. and would be a useful source of risk capital for industry.

P. Naylor
Secretary.

WEDNESDAY, THE 15TH OCTOBER 1975

Present:

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

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

The following were submitted -

1. Exchequer Finance figures for the first six months of the financial year.
2. Overseas Trade Figures for September.

The Governor acquainted the Committee of the following matters -

1. The course of the monthly B.I.S. meeting in Basle where the main discussions had centred on the practical problems of implementing the decisions taken in Washington regarding I.M.F. gold.
2. With reference to Minutes of the previous week, it was hoped that, following a meeting of the interested parties that afternoon, a Press Release would be made regarding the creation of the "equity fund".

The Governor also acquainted the Committee of the main points he proposed to make in his annual Mansion House Speech.

h. naylor
Secretary
22nd October 1975.

WEDNESDAY, THE 22ND OCTOBER 1975

Present

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

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

Consequent upon the forthcoming retirement of R.P.Fenton, C.M.G., Chief of the Overseas Department, it was agreed to recommend to the Court of Directors that the following appointment be made with effect from the 10th November 1975 -

S.W.PAYTON, C.M.G.,
a Senior Adviser

to be Chief of the Overseas
Department.

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. The payment of certain gratuities.
2. The purchase of added years of service within the Pension Fund.

The monthly Banking Figures as at 17th September were also submitted.

S. W. Payton
Secretary

WEDNESDAY, THE 29TH OCTOBER 1975

Present:

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

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 Audit Committee.
2. The Quarterly Report of the Committee to Consider the Securities of Certain Funds.
3. The Quarterly Report of the Charitable Appeals Committee.
4. A Minute of the Charitable Appeals Committee on the granting of a donation.

The quarterly return of Errors and Omissions was also submitted.

CT 50.1124
Figures showing the outturn of the Banking Department's Profit and Loss Account for the half year ended the 31st August 1975 were laid before the Committee. The Deputy Governor mentioned the possible range and size of provisions that might be required at the end of the financial year.

CT 90 241
The Governor acquainted the Committee of the circumstances which had led to the resignation of the Chairman of Slater Walker Securities and to the Bank's decision to intervene in the affairs of the company in the wider interests of the financial community. He said that the investigations ordered in London and Singapore were bound to take some time and that, meanwhile, the new

lan

management's main task was to ensure an orderly handling of the company's business.

The Governor also mentioned -

N/K

1. The proposed membership of the N.E.D.C. Financial Advisory Group.
2. The Bank, jointly with H.M.Treasury, had been called to give evidence to the General Sub-Committee of the House of Commons Expenditure Committee.

C7 211

W. A. G. Taylor
Secretary.

WEDNESDAY, THE 5TH NOVEMBER 1975

Present:

The Governor
The Deputy Governor
Sir Maurice Laing
Sir Val Duncan

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

The following were submitted -

ST 5101

1. A statement of Official Reserves at the end of October.
2. The monthly report on Industry and Finance.

The Governor mentioned to the Committee -

CT 70

CT 190

1. He intended to talk to Members of the Court the following day with a view to engaging their practical support for the Equity Fund, for example by encouraging participation by the pension funds of companies with which Bank Directors were associated.
2. With reference to a Minute of the 11th April 1973, Lord O'Brien was considering selling No.11, Lowndes Close, the house which he purchased from the Bank on his retirement. It was proposed that, subject to the maintenance of adequate security, the loan facility granted to him should be continued on existing terms, with the amount likely to be much reduced. The Committee concurred.

Office LC

Secretary
Secretary

WEDNESDAY, THE 12TH NOVEMBER 1975

Present:

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

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

A report by Lord Nelson on his visit to the Glasgow Office was submitted.

CT 60.06
CT 196

The Committee had before them a Report of the Staff Committee on the Enhancement of Deferred Pensions and the Level of Transfer Values. After a full discussion of these matters with Mr. de Rothschild and Mr. Davies, the Committee came to the view that they could not endorse the proposals contained in the Report: and it was agreed to report accordingly to the Court.

The Deputy Governor acquainted the Committee of the following matters -

- CT 93
Office Sec
1. It had been agreed that the amount of the Bank's annual grant to the Institute of Bankers should be increased. The grant, currently £1,050, would be raised to £5,000 for each of the three years 1976/78.
 2. The Chancellor of the Exchequer had appointed Sir Eric Roll to be Chairman of a new Committee being formed by the National Economic Development Office to advise on financial matters.
- CT 70.076

A. Taylor
Secretary

WEDNESDAY, THE 19TH NOVEMBER 1975

Present:

The Deputy Governor
Sir Maurice Laing
Sir Eric Roll

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

25.70.03.
25.60.01.
The Deputy Governor informed the Committee, in confidence, that the appointment of Mr. George Blunden to the Court of Directors from the 1st March 1976 would be announced from No. 10, Downing Street, the following day. Arising therefrom it was agreed to recommend to the Court of Directors that, also with effect from the 1st March 1976, W.P. Cooke, an Adviser to the Governors, should assume overall responsibility for banking supervision, with the status of Head of Department, on the same basic salary as the Chief Accountant.

The following were submitted -

1. A statement of Overseas Trade Figures for October.
2. The monthly Banking Figures as at the 15th October.
3. A statement of Forthcoming Retirements and Secondments.

27.60.07.
The Deputy Governor referred to the approval by the Court of the 2nd October of a recommendation of the Staff Committee that there should be a 10% increase in Housing Loan limits although, to conform to current incomes policy, any loans in excess of existing limits were to be advanced at commercial rates of interest. This adjustment of limits had been based on the rise in the indicator of housing costs in the year ended June 1975; and because there had been a further rise in costs since that date, the Deputy Governor proposed that the Court should be asked to agree that the increase in limits should be related to the higher October indicator, with the next review of limits deferred until October 1976. The

Committee concurred.

Laing

The Deputy Governor also informed the Committee that the Bank had been given an early indication that the Treasury, who were seeking to introduce a system of cash limits in certain areas of public expenditure, intended that the Bank's charge for administering Exchange Control should be subject to this form of control of expenditure.

lanaylor
Secretary.

WEDNESDAY, THE 26TH NOVEMBER 1975

Present:

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

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

It was agreed to recommend to the Court of Directors that, following earlier discussion of the financial viability of the Law Courts Branch and in consequence of the removal of the legal obstacles to the closure of the Branch, steps should be taken to cease banking operations there at the close of business on Friday, the 12th December 1975. Also, a report from Lord Robens on his recent visit to the Branch was submitted.

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

1. A recommendation by the Governors on the closure of the Data Office.
2. A Report of the Staff Committee on the Chief of Establishments' review of Premises and the Technical and Services Staff.

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.

Secretary

THURSDAY, THE 4TH DECEMBER 1975

Present:

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

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

A Report of the Committee on Permanent Control of Expenditure was submitted and was referred, without discussion, to the Court of Directors.

CT 220
The Governor spoke to the Committee about the Bank's support of the Burmah Oil Company. Having traced the history of the difficulties that had led a year ago to the Bank's guarantee of the Company's U.S. dollar borrowings, he referred to the present situation and to the recent announcement of a continuation of support, not only by renewal of the Bank's guarantee for a further nine months from the end of the year, but also by the offer by Government to buy all or part of the Company's North Sea oil assets. The Governor emphasised the complexities and problems - financial, technical and political - of this case; and expressed the view that the extension of the guarantee should facilitate the satisfactory disposal of Burmah's U.S. interests.

CT 221
With reference to a Minute of the 29th October, the Governor also described the current position regarding the Slater Walker group of companies. He referred to the difficulties that faced the Bank in determining the extent of the financial commitment likely to be involved and the best way in which to provide support; and said that it was impossible at this time to gauge the size of the Bank's possible loss which could, if worst fears were realised, be very substantial.

Paragon
Secretary.

WEDNESDAY, THE 10TH DECEMBER 1975

Present:

The Governor
The Deputy Governor
Lord Robens
Sir Eric Roll

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

A Report of the Charitable Appeals Committee on the replacement of a Covenant with the Charities Aid Foundation was submitted and referred to the Court of Directors.

The monthly Exchequer Finance figures were also submitted.

With reference to a Minute of the previous week regarding the Slater Walker group of companies, the Governor reported that, no unforeseen obstacle having emerged, the Bank had committed themselves to seeking a solution of their problems by means of a guarantee by the Bank of certain loans and contingent liabilities and an associated loan facility. "Set-off" arrangements within the group of companies had been concluded which would give the Bank an important degree of additional protection and, although the risks were large, the position as it was now seen afforded a reasonable prospect that the Bank would not suffer major loss. The Governor emphasised that, apart from informing the Chancellor of the Exchequer and the Treasury of developments, the Bank's involvement in this affair had been, and was being, kept a close secret.

P. ...
Secretary

