The Bank's decision after the war of 1914-18 to withdraw from private banking naturally affected most of the Branches more than the Head Office. The Western Branch, which was mainly concerned with private customers had been closed in 1930. For more general reasons the Hull Branch, opened on the 2nd January 1829, was closed 110 years later on the 28th February 1939. In the interbellum period the Branches had tended to become primarily centres for the distribution of currency, and Hull was not thought to be very suitable for this purpose. The clearing banks had agreed in 1937 that its closing would cause them no serious inconvenience, though the Hull Corporation regretted the decision as they had banked with the Branch for 40 years.

As a suitable currency centre and a convenient location for storage of gold a site for a Branch in Southempton was chosen in May 1938. The designs of Mr. A.V. Heal were accepted and he was appointed architect of all the provincial Branches. The contractors were Messrs. Trollope & Colls, whose tender was not only the lowest but provided the earliest date for completion. The Southampton Branch was opened for business on the 29th April 1940 and proved very useful during the remainder of the war.

There was talk of rebuilding the Manchester Branch. In February 1938 the proposal was to rebuild it on a new site, but as a suitable one could not be found it was decided a year later to rebuild on the existing one. By the end of July 1939, however, it was seen that the work must be postponed indefinitely.

Although competition with the Joint Stock banks had ceased the value of the Agents did not diminish proportionately. The Head Office eventually took steps, through annual meetings and later by circulating memoranda on questions of current interest, to keep Agents in touch, asking for their opinions and for reports on industry, trade and other matters appropriate to their localities.
The Branches naturally became very active during the war, reference to which is made in Part I.

Extra Store of Bank Notes and Coin

First preparations for the war came at the time of the Munich crisis in September 1938, when the Bank made arrangements with the “Big Five” to deposit with some of their branches large amounts of notes (in the outer suburbs of London and at Norwich, Nottingham and Swansea).

When invasion was feared in 1940 much larger supplies were sent to the provinces*. Particulars of these deposits were given to the Banking Advisers of the Regional Commissioners.

These contingency supplies were drawn upon during temporary shortage of small notes before Christmas 1942 and in the late autumn of 1943, at which times the Printing Department had other urgent work in hand and could not turn out enough new notes. All remaining deposits were withdrawn to Head Office after July 1944.

The notes dispersed in 1938 consisted of pre-war types and were stored for possible future use.

No notes were lost in air raids, but as some of the Joint Stock Bank premises where notes were held were damaged some notes had to be transferred from one Joint Stock Bank Branch to another.

Deposits of silver coin were also made at various provincial Branch Banks in June 1940, but were withdrawn and issued before the end of the year. Until February 1944 a reserve of £20,000 was earmarked at the Southampton Branch for the Portsmouth Dockyard in case the Joint Stock Bank which served the dockyard should be destroyed.

Early in 1941 when notes of 2/6d. and 5/- were printed for use if the shortage of silver coin became acute, eight million notes of each denomination were deposited with 37 provincial branches of the Joint Stock Banks, three branches of the Bank of Scotland and five banks in Belfast. Further supplies were held at the Bank's

*See further in chapter on "Bank Notes".
Country Branches. Instead of Plymouth, which had suffered bomb damage, the notes were held at Callington. Again the Regional Commissioners were advised. None of these notes was issued and in January 1945 arrangements were made to bring them back to the Head Office.

Regional Banking Arrangements during the War

As a precaution against confusion in the case of invasion, the country was divided into Civil Defence Regional Areas, the limits of which are shown on the attached map, and the Bank's Branches functioned in accordance with this division. Plans were drawn up in the summer and autumn of 1940, and instructions were issued to various Government Departments, Regional and Transport Commissioners, and the banks. The instructions of July 1940 covered emergency arrangements for banking and currency, evacuation and transport facilities, payments to refugees, the destruction of bank notes (should it be impossible to remove them to places of safety) and the provision of currency for the Army and for Government Departments. Another document issued in September related to banking arrangements in connection with vital war supplies and war production industries.

The scheme drawn up by the War Office and the banks provided for the institution of mobile cashiers who could obtain currency at short notice for paying the troops from specified banks at a number of towns in the United Kingdom; the Bank's Branches were of course included.

The Branches also made arrangements for alternative Treasury accommodation, usually at another bank; and in June 1940 the Ministry of Home Security listed the Branches as "Key" points, which meant that the Ministry would notify Head Office at once in the case of any major damage.
Another precaution was the duplication of records, which had been considered as early as May 1938. The scheme was put into operation at the beginning of 1939 and from the outbreak of war duplicates were exchanged between Branches. As it happened they were not required, but the system bore fruit; in August 1944 three Central Clearing remittances to the Bristol Branch were lost in the post through mail bag robberies, and the reconstruction of the information required was obtained from photostatic copies of the cheques at the Central Clearing Houses.

In the event of its being necessary to evacuate London to any large extent preparations were made at Manchester, Bristol, Leeds and Newcastle to receive the staff of the Exchange Control. On the other hand the Head Office stood ready to receive the staff of the Law Courts Branch if their premises should become untenable.

In the summer of 1940 the Agent at Manchester put forward a suggestion (not accepted) for supplying the Branches with notes by sea. He proposed that a small ship under the command of a naval officer should be loaded with a cargo of notes at Southampton to call at Plymouth, Bristol and Liverpool. From Liverpool supplies could be sent to Manchester, Leeds and Newcastle, while Birmingham would continue to draw from London. In case of need the ship’s cargo could be jettisoned or the ship sunk.

The invasion scare caused the transfer of securities from Newcastle to Leeds in August 1940, while the stock of notes held at Southampton was drastically reduced early in the war. Southampton, however, became important as a centre for the supply and collection of notes, covering the area from Bognor to Lyme Regis and from Bradford-on-Avon to Bournemouth. The large number of troops gathered in the district for the invasion of France caused exceptional demands for currency from Southampton and Bristol.

To guard against delay in postal deliveries, from September 1940 onwards the daily letters between Head Office and the Branches were sent by railway under special arrangements. The letters were placed in a canvas bag, taken to the station by a messenger and conveyed by the next fast passenger train in the
care of the guard, insured for £50: the bag was then collected by a Bank representative on the following morning.

**Government Accounts**

At least 120 new Government Accounts were opened at the Branches during the war. The principal Departments for whom new accounts were opened were the Admiralty,* the Air Ministry, the Ministry of Home Security, the Ministry of Supply, the War Office, the War Damage Commission and the Custodian of Enemy Property. Many of the accounts were extremely active. A large number of the Admiralty accounts were opened at Liverpool, where also for a time all credit effects were cleared for the Inland Revenue Department when it moved to Llandudno. The Army made much use of the Manchester Branch, opening a large and active account entitled "Army Pay Office, Officers' Accounts". The Law Courts Branch had a considerable amount of work in respect of the investment of surplus funds for the Custodian of Enemy Property, who opened 22 accounts there.

**Dealings in Gold**

In 1939 and 1940 the Liverpool, Plymouth and Southampton Branches handled large quantities of gold on its way to North America: the Liverpool Branch had to seek extra accommodation for this work at Martins Bank. The storage capacity at Plymouth was often severely taxed. The same Branches acted when the movement was reversed, accepting consignments of gold and escorting them to London. Manchester and Bristol also were concerned in this reverse movement.

*As in the war of 1914/18 the Branches paid cash on presentation of bills drawn on the Admiralty at 3 days' sight by accountant officers of H.M. Ships.*
Other Activities

Clothing Coupons. Four Branches, Manchester, Leeds, Newcastle and the Law Courts were concerned with this innovation. The Board of Trade instituted coupon banking in 1942 to stop various abuses and to obviate the work of checking and rechecking the coupons which had been undertaken by the Post Office. Under the banking scheme every firm dealing with clothing coupons in its ordinary course of business had to open a coupon account with a bank. The coupons were deposited in sealed envelopes to be passed on unopened to the Board of Trade. Accounts were debited by means of "Transfer Vouchers" which the firms sent to suppliers of goods against which coupons had to be surrendered. These vouchers before being sent to the suppliers were taken to the bank, which verified that the necessary coupons were available on the account. The system was simple, the book-keeping records being made on two forms provided by the Board of Trade, which were the equivalent of the pass-sheet and ledger of a drawing account and which recorded the balance of coupons held.

National Savings Campaign

The Branches played their part in assisting the local committees, especially during Campaign Weeks. The Agent at Manchester was Chairman of the Manchester Committee.

Safe Custody

From time to time the Branches were asked to receive unusual deposits for safe custody. For example, part of the Norwegian treasure rescued by a British cruiser was taken over and brought to London by a representative of the Plymouth Branch. The Agent there also for a time held a receipt for about £19 million nominal in Belgian notes and coin, brought into port by an armed trawler and deposited in the Royal William Yard because it was too bulky for reception in the Branch. In 1944 the Plymouth Branch held all the invasion franc notes prior to D-Day for the American authorities, and the division and parcelling for each detachment of
troops was carried out in the Agent's room. The Belgian Foreign Office records were deposited by the Navy with the Southampton Branch in May 1940, packed in 773 boxes. From June 1939 the Bristol Branch held a number of duplicates of master tools for imperial coinage lodged by the Mint. The Leeds Branch in June 1940 took over the dual control of a strong room in the premises of Messrs. J. Waddington Ltd., Printers, in which some 6,300 reams of £1 and 10/-d. Bank Note paper were stored.*

Economies

The Joint Stock Banks undertook to lengthen the life of £1 and 10/-d. notes by sorting them and paying in to the Bank's Branches only those which were unfit for further circulation, and banks who paid out more notes than they received drew on other banks whose flow was reversed. The bulk of note examination was transferred to London after the summer of 1942; such centralisation economised man-power.

Old books and papers instead of being burned were pulped and the board binding of books sent to St. Luke's. Forms and books were revised to economise paper. The introduction generally of small cheques of uniform size meant in some cases, especially in Government cheques, the saving of two-thirds of the paper.

Time was saved by the installation of teleprinters operating between London, Manchester and Leeds. These were primarily used by the Exchange Control, but proved useful in other connections.

Time was also saved by a Post Office concession in 1940 whereby the Bank was allowed "absolute priority" for telephone calls on Wednesdays from the Branches to Head Office for transmission of Bank Return figures.

*See also "St. Luke's"
A.R.P. and Bomb Damage

The experience of the Branches is recounted in a separate section under this heading. It may be mentioned here, however, that certain Branch Treasuries were strengthened and air-raid shelters provided. Moreover, at each Branch a description of the procedure for carrying on each division of the work was drawn up for the use, in case of need, of a depleted or inexperienced staff.

Clearing

The area of local clearings was severely contracted to include only those banking offices within a short distance of the Bank's Branches.

Two Sub-Agents were called to the service on 2.9.1939 and 18.1.1940, respectively. Both resumed duties as Sub-Agents (in 1945 and 1946).

Four members of the Staff at the Branches (3 Sub-Agents and one Chief Clerk) were recalled to Head Office for special duties in 1940.

A new Branch at Southampton was opened on 29.4.1940, with G.E. Carr (Sub-Agent at Law Courts) as Agent and H.F.A. Willis (a Pensioner) as Sub-Agent.

In order to ensure that Agents might be adequately supported during the war, five retired Pensioners were either appointed Sub-Agents or authorised to sign "for the Agents". Two of the Staff at Head Office and four from the Branches received further authorisations of a similar kind. Some of these specially authorised men moved about a good deal.*

For an account of Air Raid damage at the Branches see under "Bomb Damage".

*One in particular, appointed from the Establishment Department and authorised on 29. 6.1941 to sign for the Agent at any Branch. He served at 5 Branches (Birmingham, Liverpool, Plymouth, Bristol and Southampton - including five separate spells at Southampton). On 23.7.1942 he was appointed a Supernumerary Sub-Agent for the Branches, attached to Bristol. After several intervening Branch appointments, he became Sub-Agent at Manchester on 25. 6.1946.
An emergency programme of audits, drawn up in July 1938 on the assumption that the Bank would operate only from the Vaults, made provision only for a general check on the issue of currency, the day to day checking of Exchange Equalisation Account transactions and the continuance of the Department's control of gold in the Directors' Vaults.

When it appeared likely in September 1939 that conditions would not be so abnormal as was originally feared the Department proceeded with the regular programme so far as was possible with a limited male staff. Four senior men had been called to the Forces at the outbreak of war and others lent to the Exchange Control. To help to fill the gap women clerks were introduced into the Department for the first time, as counters of Notes and other security documents; they were subsequently trained to take over a certain proportion of clerical work, with a good measure of success.

The activities of the Department during the war naturally tended to follow the work of the rest of the Bank. In view of the increase in the number of transactions and their complexity, there was a marked increase in the time spent in checking the Exchange Equalisation Account, and new audits were added to the programme in connection with Securities acquired by H.M. Treasury* and the issue of Security Deposit Receipts and Treasury Receipts in respect of securities in Canada and/or New York. The Department also reviewed the work of the Loans Office in connection with "Tap" issues and the issue of Tax Reserve Certificates; the vouching of expenditure at the Locations took up a great deal of time; and the large increase in the clerical and non-clerical staff of the Bank added to the volume of work in the form of a number of audits of Salaries, Weekly Wages, National Health Insurance Contributions, B.P.S. Deposit Branch, etc.

On the other hand the Department was helped by the discontinuance

*The annual audit of these Securities has been conducted by Deloitte & Co.

lodged against the advance made by the U.S.A. Reconstruction Finance Corporation.
discontinuance of the issue of Bearer bonds - though the saving at St. Luke's Printing Works was offset by the supervision required in connection with the production of special Note issues, e.g., British Military Authority Notes - and by the pruning of the programme from time to time wherever it was safe to reduce the frequency of audits.

On balance it was possible to conduct a programme much wider in extent than the pre-war schedule with a staff of approximately 8 men and 8 women as compared with a normal establishment of 15 men.
Appreciation of the effect of mechanisation in the Bank during the war will be easier if the steps taken in that direction prior to 1939 are first outlined.

The work of the Bank was considerably increased during the war years of 1914 - 1918 and, as a result, a large Permanent Staff was recruited immediately after that war. In the Accountant's Department the popularity of Stock registered as transferable by deed, and in the Cashier's Department new Loans and the extension of Bearer Security compelled those in authority to consider methods of re-organisation.

Mechanisation, involving the use of various types of accounting machines, was still in its infancy in this country during the decade 1919 - 1929, but progress was being made and the Bank were kept informed of all developments by machine companies. The first indication of changes to come occurred on the 1st January 1930 when loose-leaf transfers for Inscribed Stocks were introduced. Sixteen varieties of the form took the place of separate transfer books for every stock, and a similar number of stock receipts superseded the 400 types, mostly of different colours, then in use. The Stockbrokers, instead of first making out applications, were asked to complete the specified transfer form which, if found to be in order, would at once be executed by them in the presence of a Bank witness. The experiment was an unqualified success and paved the way for the introduction that year of accounting machines to deal with the posting and balance-book work in connection with the active accounts in the War Stock Office, and at intervals later in other Offices.

Meanwhile the Cashier's Department were making similar studies and in 1932 the Drawing Office introduced book-keeping machines for the work of preparing Bankers' Accounts and Pass-book Statements. It was not until after due trial and consideration had been given to all the other types of accounting machines, however, that the Directors authorised the extension of mechanisation with Mercedes machines to
all Banking Accounts in the Drawing Office and, in 1935, to active Stock Accounts (other than Jobbers) in the Accountant's Department with the aid of Burroughs equipment, as well as the preparation of dividends by similar methods. At this early stage, it was realised that the punched card method was the one on which all accountancy work might well be based eventually, but although this was most suitable for all forms of census or statistical work, its development in the field of accountancy had not advanced sufficiently to compare at all favourably with the high standard of work produced, if somewhat extravagantly, under the manuscript and printing methods employed by the Bank. And so the keyboard type of accounting machine was brought into full operation. In the Drawing Office, the original accounting system was adhered to; the application of machines was successfully extended to the remainder of the accounts and the flexibility of the machines enabled them to be used also for most of the Waste Book work.

In the Accountant's Department, the change-over raised many problems. The type of staff required to operate the machines had to be engaged and trained, the three million stock accounts had to be transferred from bound ledgers to loose-leaf form and a similar number of records set up for dividend preparation purposes, in addition to the embossing by hand of three million stencil plates to supersede the Printers' type. It was decided, therefore, to embark on a five-year plan so that the displacement of Printing Staff would be gradual and the change-over could be effected without late work. Moreover, the superseded Clerical Staff would be able to devote their whole time to this undertaking. The help of the General Works Manager of the Printing Department throughout the operation played a big part in the success of the scheme and he even designed a machine for printing the amount in words on Postal Dividend Warrants. The special Protecograph machines, built to the Bank's design, had already been purchased, however, so the employment of his Logograph machine was deferred until the need for replacement occurred.

In 1935 experiments with punched cards began in the Cashier's Department, when tests were carried out with a section of the work
work of the Dividend Pay Office. In due course a more protracted trial took place during which the merits of both Hollerith and Powers Samas machines were compared. The results were most satisfactory and owing to their exceptional flexibility the employment of Hollerith machines in the Office was decided upon. The two main processes selected for mechanisation were -

(a) Records of applications of Government Loans.

(b) The analysis and summary of the amounts of Dividend Warrants paid by the Bank, showing the totals to be debited to the relative Dividend Accounts.

In 1936 it was decided to introduce Recordak machines into the Accountant's Department, whose programme of change-over to loose-leaf records was progressing satisfactorily. By photographing the accounts as they were prepared, on 16 millimetre film, an additional record was set up which could be stored in a very small space and from which prints could easily be obtained should the original records be destroyed. The operation also provided a safeguard against any tampering with amounts and details recorded on accounts.

Meanwhile the extension of the use of Hollerith machines in the Dividend Pay Office was taking place. Records of all coupons paid by the Bank were recorded on punched cards; bonds registered, drawn for payment or purchased and cancelled, were similarly treated. A further development was the mechanical calculation of the payment of commission to brokers and bankers on Loan applications lodged by them.

In 1938, owing to the successful use of Hollerith machines, it was decided to use them to record details of all bullion transactions. This involved a complete change in the Bullion Office system and meant discarding hundreds of Bar Books (some of which had been in use for perhaps a century). The weights of all bars were recorded on punched cards, together with other information such as assay, melter, assayer, etc., necessary for the production of complete weight
weight lists. To guard against error in calculating the fine gold content of bars and to preserve dual control within the office, the cards were duplicated and lists produced on two tabulators used by different staff. The mechanisation of this work proved a success.

About this time a further step in mechanisation was taken by the installation of units to mechanise the physical handling of gold in the bullion vaults. With the aid of Pantin's conveyor belts and hoists it became possible to handle gold boxes mechanically from the point of unloading in the Bullion Yard to the stacking position on a different floor, the transport of boxes in a reverse direction being similarly facilitated. Part of the equipment catered for the opening of bullion boxes and the packing of gold with the use of an automatic nailing machine. With the exception of certain subsidiary devices, such as banding and sealing units, the Bullion Office was completely mechanised for the physical handling of metal and the relative accounting records by the Autumn of 1939.

Thus, in respect of mechanisation, the Bank was in a strong position on the approach of war.

In the Accountant's Department the change-over to mechanised methods was almost complete. Films containing photographic records of all stock accounts could be stored easily in a safe place. Moreover, the functionalised furniture which had been specially designed and installed facilitated the evacuation of the whole Department to much smaller office space in Hampshire. In the Cashier's Department it was possible to transfer the majority of the work and staff of the Dividend Pay & Loans Office to Barlaston Hall and to keep a section only of the Office in London. With the aid of Recordak machines and Hollerith equipment, the communications between the two parts of the office were maintained at a high standard of efficiency. The Bullion Office were in possession of duplicate records, in punched card form, of all bullion transactions which, of necessity, had greatly increased in volume, and were equipped with a sufficient number of machines. The weight handling machinery was fully installed and available for other work such as the transport of Note boxes.
When war broke out the Bank ordered additional machine equipment to meet an anticipated expansion of work and to serve as reserves in the event of damage from air raids. This step was timely in view of the general shortage of all kinds of machines that was experienced in the later war years, for it enabled the steady progress of the application of machines to Bank work to be maintained.

In the early part of 1940, following a study of the use and provision of random numbers, the application of punched cards to the work of drawing Bonds and Stock Units was successfully introduced in the Dividend Pay & Loans Office.* The Fanfold system in the Accountant's Department, whereby as many as nine copies of each transfer were obtained simultaneously, was extended to meet the new method of certifying and registering transfers of what had previously been Inscribed Stock. The success of the Fanfold machine facilitated the eventual abolition of this category of Government Stock under Statutory Rules and Orders of 1st January 1943.

In 1941 another wartime development was made following the issue of Tax Reserve Certificates. The lodgment of these Certificates in payment of Income Tax necessitated a great number of interest calculations being made which it was possible to simplify by the use of punched cards and the Loans Office machines.

In 1943 the work connected with Foreign Exchange dealings was mechanised by introducing a new type of Hollerith machine - which had no counterpart in this country - capable of dealing with some 69 different currencies. The work had previously been dealt with in manuscript and one of the objects of mechanisation was to solve the staff difficulty likely to present itself on a post-war resumption of dealing operations. Again, during the war much statistical work in the Foreign Exchange Control had been necessary. Owing to the machine time available in the Bullion Office after the restriction of bullion movements, it was possible for the mechanical preparation of this work

*The drawings took place at Hurstbourne by the disc method, except for large stocks (e.g. New Zealand 3% Conversion and Electricity 3%) which were done at Head Office by borrowing Hollerith machines.
to be successfully undertaken without obtaining extra machines.

During 1944 Fanfold machines were introduced into the Drawing Office for the preparation of Bankers' Payments and the Vouchers for the accountancy and correspondence therewith. A particular feature of these payments was the incorporation of a protective panel for the typing of the amounts in words and figures.

In September of the same year the subject was broached of creating in the Bank a Central Mechanisation Office, the main functions of which would be -

(a) to study current developments in mechanised accountancy so that the latest principles could be applied in the Bank;

(b) to carry out some measure of centralisation of machines with a view to economy of staff and equipment.

Shortly before the end of the war the proposal was accepted in principle with a view to its implementation at a convenient time.

In the same month (September 1944) the Bank began to experiment with the use of punched card cheques by issuing Interest Vouchers in this form through the Loans Office. They wished to discover whether such documents, when returned to the Bank, would be in a condition suitable for machine tabulation. It was found that under 2% of the cards arrived back at the Bank in a condition unsuitable for tabulation.

Another development concerned the records of the payment of Bank Notes. The scheme had been under consideration since 1942 and a satisfactory solution was found which led, in April 1945, to a decision to apply punched card machines to the work of sorting and listing Bank Notes of high denominations. In July of the same year a study of the possibilities of applying the same type of machine to part of the work of the Statistics Office of the Bank was begun.

The mechanisation of Bank work during the war years led to:

(i) Staff economies
(ii) Speeding up of routine processes
(iii) Production of more accurate data.

A considerable amount of time was spent in drawing up a post-war programme of mechanisation, particularly
particularly for the Accountant's and Establishment Departments. Many of the machines in use in the former Department were nearly 10 years old and would soon have to be replaced. It was believed that a punched card system could be devised which would not only "post" Stock Transfers but would also produce automatically the relative Dividend Warrants, thus superseding the keyboard type of accounting machines introduced in 1935. A scheme was submitted in August 1944, though it was obvious that the magnitude of the operation precluded its adoption - except for experiments - until the requisite machines were once more in production. In the Establishment Department progress was made in applying the Hollerith principles to the salaries and wages work and thought was also given to extending their use to the attendance records. The plan for dealing with the payment of salaries and wages was accepted in June 1945 and the relative machines ordered from the manufacturers.

The position and finances of the Council had never been very satisfactory and had been the subject of discussion between the Governor and the Committee of Clearing Bankers at least as early as May 1934. Towards the end of 1935 the Governor was successful in strengthening the Council by the appointment of Sir Otto Niemeyer as a member and Lord Bessborough as President.

Early in the following year the Governor appealed to the Chancellor and the Foreign Secretary for their full and exclusive support of the Council, and assurances were forthcoming.* Additional funds for the support of the Council were also required, and the Bank agreed to contribute £1,000 a year for five years, out of a total of £6,000, the other subscribers being the Clearing Banks, £2,500, and certain issuing houses, insurance companies, etc. In February 1937 the Governor told Treasury Committee that the Council was in need of a new charter and some reorganisation: in March he arranged for a closer connection between the Council and the League Loans Committee through the appointment of Lord Bessborough as Chairman of the latter.

By the Spring of 1939 it was apparent that the Council would need further financial support, and the Bank assisted by raising their subscription for the year to £5,000, and in 1940 to £6,000 in all. Thereafter they subscribed yearly amounts varying from £4,780 to £5,500 (see table below).

The arrangement made with the other subscribers was due to terminate at the end of 1940, and when the question of its revision came up in February Lazards, whose support of the Council had never been whole-hearted, expressed disappointment that in the past five years the organisation had not become self-supporting. (In fact, the

*In the Summer of 1938, however, the Council and the Bank, with the support of the Treasury took exception to a visit by Lord Willingdon to Brazil under the auspices of the Ibero-American Institute. Brazil had declared a total default on her debts in November 1937, and it was thought that a good-will mission, such as Lord Willingdon's appeared to be, would be unfortunate. The Foreign Office, however, thought that no harm would be done, and Lord Willingdon paid his visit.
the Council had never been altogether self-supporting and was never likely to be.) A more fundamental objection was Lazard's opinion that it was not desirable that all negotiations with defaulting Governments should be conducted solely by the Council, an arrangement which they said weakened the responsibility of the Issuing Houses. They thought the Council less qualified to assist the bondholders than the Issuing Houses themselves, and that if the Council needed financial support this should be provided by the bondholders and not by the Issuing Houses.

For the year 1941 it was arranged with the Clearing Banks that their contribution should be raised from £2,500 to £4,000; other contributors also increased their subscriptions, and the Bank put up £5,550. The total raised was £13,000 (£2,000 more than in 1940). Lazards were not asked to subscribe; later they sent their usual contribution of £250 and dropped out thereafter. Expenses seem to have been kept lower than was anticipated at the end of 1940, and £12,000 was found to be sufficient in 1942-1946. Subscriptions were stabilised at £12,000 for five years, the Bank of England contributing £4,750, the Clearing Banks £4,000, five other banks or Accepting Houses (Barings, Schröders, Morgan Grenfell, Hambros and Rothschilds) £350 each, the British Insurance Association £1,000 and the Association of Investment Trusts £500. In 1947 the total was reduced to £10,750, the Bank of England subscribing £5,250, while the £1,750 subscribed by the five smaller banks lapsed.

In reviewing the situation on 15th December 1943, the Governor stated to the Treasury Committee that after the war it would no doubt be necessary to reconsider the arrangements with a view to placing the finances of the Council on a more satisfactory basis.

Further criticism of a lack of support for the Council on the part of H.M.Government appeared in the Press during 1944, but the Bank do not seem to have taken action themselves.
On 9th September 1942 the Governor told the Committee of Treasury that the replanning of the City was "a matter of the first importance in which it appeared likely that no sufficient lead would be forthcoming". He proposed that the Deputy Governor, Mr. Holland-Martin and Mr. Bernard should consider whether the Bank could usefully take any action; and by January 1943 they had obtained the agreement of the Mansion House and the City Corporation to set up a representative body. Members of many institutions attended a meeting at the Bank on 5th January 1943 and other meetings followed. By 26th February it had been agreed that a City of London Reconstruction Advisory Council should be set up with Mr. Catterns as Chairman. There was also a Standing Committee of eight under Mr. Holland-Martin's Chairmanship.

On 23rd March the Council issued a notice saying that it did not intend to undertake any planning itself, nor to publish criticisms of the plans of others. Its main functions would be to advise the Corporation on the needs of the principal financial, mercantile and other institutions and their staffs, and to co-ordinate City opinion on problems of reconstruction. The following 20 bodies were originally represented on the Council:

- Accepting Houses Committee
- Association of Investment Trusts
- Baltic Exchange
- Bank of England
- British Insurance Association
- Chamber of Shipping of the United Kingdom
- City Churches Commission
- City Companies
- Committee of London Clearing Bankers
- Corporation of Lloyd's
- Dean & Chapter of St. Paul's
- London Corn Trade Association
- London Metal Exchange
- London Passenger Transport Board
- Newspaper Proprietors' Association
- Port of London Authority
- Railway Companies' Association
- Rubber Trade Association of London
- Stock Exchange
- Wholesale Textile Association

Later,
Later, representatives of eight others were added, viz:

Brewers Co.
City of London Licensed Victuallers, etc.
Trade Protection Society
City of London Retail Traders Association
Corn Exchange
London Association of Public Wharfingers
London Fur Trade Association
Middle Temple Planning Committee
Paper Makers Association of Great Britain and Ireland

together with the President of the London Chamber of Commerce, who had complained of the Chamber's exclusion. (They had not been invited because they covered a much larger area than the City and included many members of organisations already on the Council.) The applications of eight other bodies were refused.

The work of the Council was done almost entirely by the Standing Committee, who issued interim reports on 18th August 1943 and 17th April 1944. One of their first acts was to send out a questionnaire to about 5,800 constituent members of the bodies represented on the Council, of which 2,867 eventually completed and returned their copies. An analysis showed that the pre-war staff of these organisations was about 123,700, and their post-war staff was estimated at 126,700. About 500 of their premises had been destroyed by enemy action, and more than another 500 damaged but capable of repair. With few exceptions members wished still to have premises in the City, most of them in the same part as before or where they had since been domiciled. The results of the analysis were made available to the Corporation.

In August 1943 members of the Council were given a special view of the draft plans of the L.C.C. at County Hall. The Corporation, on the other hand, were inclined to delay in giving permission for the Standing Committee to see the Corporation's plans for the City. A meeting, however, was arranged in January 1944, when the Committee asked fifteen specific questions. Most of the answers received were provisional, and anything more definite was said to depend on a declaration by the Government of their policy. After further meetings and discussions it was decided that little progress could be made beyond bringing pressure to bear upon the Government for early legislation. In the meantime it was suggested that the drafting of
plans by owners and occupiers of damaged premises should proceed.

On 15th June 1944 the Council sent a Memorial to the Minister of Reconstruction, and copies to the Chancellor of the Exchequer and Ministry of Town and Country Planning, asking the Government to state its intentions with regard to legislation concerning:

(i) the treatment of land damaged by enemy action, or requiring development;
(ii) the powers to be vested in local authorities to acquire and to dispose of such land;
(iii) the maintenance of controls of building materials;
(iv) priorities and the cost of living.

In general the Council, like the public, seem to have felt that the Report of the Corporation was too conservative. It suggested making the least possible deviation from existing streets and railway lines, and the retention of termini and markets in their existing positions. Apart from certain road widening proposals, the Plan gave little guidance as to the future development even of those areas which had been destroyed.