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S. a.

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- Seal The Common, ordered to be, and reported to
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- Transfers of £1000 & £13,000 Great Western Ry Co. 4% Deb.
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& Co. in the matter of the Eastern Bengal Railway Co. Purchase
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- Power of Attorney in favour of Sir Gordon Harrie, Mr Harvey, Mr.
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I. e. continued

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<hr/>	
at the Branches	
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<hr/>	
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STRICTLY CONFIDENTIAL.

REPORT
OF THE
SPECIAL COMMITTEE
APPOINTED BY THE COURT

OF THE

11th October, 1917.

*as amended and approved by the Court of Directors
on the 21st February 1918.*

BANK OF ENGLAND,

23rd January, 1918.

To THE COMMITTEE OF TREASURY.

GENTLEMEN,

We, the Committee appointed by Order of the Court dated the 11th October, 1917, to consider whether any, and if so what, changes are desirable in the Direction and general working of the Bank, beg to submit this our Report.

The instructions in accordance with which our duties were to be executed are defined in the Reference, the terms of which are as follows:—

“To consider whether any, and if so what, changes are
“desirable in the Direction and general working of the Bank.

“The Committee to report in the first instance to the
“Committee of Treasury as early as possible, with a view to a
“subsequent recommendation by the Committee of Treasury to the
“Court.

“Any Director, not a Member of the Committee, may, if he
“wishes to do so, send in a written statement for consideration by
“the Committee, and any Director or Official of the Bank may
“be called by them to give his evidence or produce any documents
“required on any point on which they may think it desirable to
“have information. Any such statements or evidence will be
“considered strictly confidential.

“The Committee to have power to ask for expressions of
“opinion in confidence from any person outside the Bank whom
“they may consider it desirable to consult.”

We realised that the Court had purposely authorised the framing of a Reference on the widest lines, so that we might not be fettered or prevented from studying any particular point or subject to which we considered attention should be directed.

It became evident on a preliminary survey of the work that it would be inexpedient to attempt to range over the whole group of questions which might be considered as falling within the scope of the Reference. We decided therefore to limit our enquiry and consequent Report to particular questions which would seem to require immediate consideration by the Court, and to make recommendations the adoption of which we hoped would ensure the setting up of an effective machinery for the direction of the policy of the Bank, and for the introduction of such modifications as might be found desirable in the practice by which the domestic working of the Bank is controlled.

It had been our intention to abstain from approaching such questions as would arise from a consideration of "The Bank Act of 1844," "The Bank Charter," the By-laws, and cognate questions, as also from a detailed examination of questions relating exclusively to departmental practice or the internal organization of the Bank; but it has been submitted to us that there is a necessity for some revision of the Bank Act of 1844, and it has further been suggested that it would be well for the Bank of England to arrange for an increase in the amount of its Capital Stock.

These questions may require statutory enactment: we commend them to the immediate attention of the Court; but we do not consider it our duty to make specific or detailed recommendations concerning them.

The proceedings of the Bank are regulated by various Orders of Court, and by traditional customs which have the authority and sanction of a series of generations. These customs have the advantage of embodying the outcome of a wisdom and experience for which we must have an especial respect, and we have felt reluctant to suggest any changes of too radical a character. We appreciate, however, that the more modern conditions of commercial and financial life may render it advisable for the Court to revise some portions of its recorded Orders, as also some of its customs to which tradition has given in effect the force of unwritten law. But the exhaustive enquiries which we have had the opportunity of conducting have resulted in our conviction that it is less incumbent upon us to recommend any radical revision of these traditional customs, than to ensure that the present opportunity should be taken of giving expression to such unwritten law, so that it may be embodied for permanent record and reference in a definite text which would serve as a basis for concrete Resolutions, carrying with them the authority which attaches to Orders of the Court.

Our procedure was generally as follows:—

To invite communications, both written and verbal, from all the Members of the Court; to consult with some of the principal permanent officials on certain points connected with the inner working of the Bank; to take the opportunity of conferring with members of the outside financial world, in order that the conclusions reached in the Report might fairly be held to reflect the representative and considered opinions of the general City community.

We wish to express our sense of obligation for the real and effective help thus afforded us by our colleagues; we also wish to thank the permanent officials of the Bank who have furnished us with information on details of which they had special knowledge in connection with the working of the Bank. We are further beholden to those members of the outside community who have consented to appear before us; and finally we wish to record an appreciation of the loyal desire which has been so generally manifested that, in the interest of the Bank itself, some reform should be initiated from within, with a view to disarming the recent criticism, some of which is not, in our opinion, without its justification.

The views of our colleagues are practically unanimous on several points, while necessarily differing as to particular details which happen to appeal in different manners to the several members of the Court. Their opinions, however, are divided on some essential considerations; but where we have made a definite recommendation in our Report, it represents a unanimous conclusion of our Committee.

These conclusions are embodied in the recommendations which will be found at the end of this Report.

We have refrained from any elaboration of these recommendations, in the hope that they may be found to be of so straightforward and simple a character as to explain themselves. It may be useful, however, to indicate the grounds on which some, at any rate, of our conclusions are based.

The Charter provides that, subject to By-laws and Orders of the General Court, the affairs and business of the Bank are directed and managed by the Governor, Deputy Governor, and Directors, who together form the "Court of Directors." By unwritten custom the executive power has been largely concentrated in the hands of the Governors, and we recognise that they cannot constantly consult so large a body as the Directorate. But from time immemorial the Court has appointed a Committee with whom they should consult; and we recommend that measures should be taken to ensure that, in future, the Governors shall enjoy the intimate co-operation of certain colleagues who, as members of a Committee, would relieve the Governors of any occasion for the exercise of an autocratic control. These colleagues should be invited to devote their time and attention to the general policy of the Bank, and to form a confidential Committee who would share in an especial degree the responsibilities which are technically those of every member of the Court.

More than one of our colleagues have disclaimed any desire to be particularly informed of the more confidential questions which concern the Bank, provided they are satisfied that these responsibilities, which every one of them has assumed on election, are delegated to and safeguarded by a Committee over the nomination and election of which the entire Court has control.

Our endeavour, therefore, has been to frame recommendations which may commend themselves to the Court as being as useful during these times of trouble and confusion as we hope they may be under conditions of peace and order. We trust that these recommendations may obtain the approval of the Court, and that they will ensure that all matters relating to the policy of the Bank should be endorsed by the Committee, who would have it as their especial duty to keep the Court advised of all affairs of which it is considered they should properly be informed.

With the Court will rest the responsibility of the selection of this Committee, which, with the exception of certain *ex-officio* members, it is proposed should be elected by free and secret ballot from all the members of the Directorate.

It is to questions which affect the general Directorate that we next invite your attention.

Although there is no Order of Court indicating a restriction in the selection of candidates for the Directorate, it has been the rule that such selection should in practice be limited to members of merchant houses and representatives of industrial interests, to the exclusion, notably, of "Bankers," using this term in the strict sense of the word.

The candidates suitable for election from among the representatives of the merchant houses with historic names familiar from generation to generation on the rolls of the Court, are gradually diminishing in number, with a consequent restriction of the field of selection; while the increasing power and influence of the Joint Stock Banks acts at present in a directly competitive sense, and tends to make it more and more difficult for the Bank of England to secure the services of younger men of character and ability whose activities are not already pledged to the interests of these institutions. These difficulties are not lessened by the material fact that the fees received by a Bank of England Director are considerably less than those paid to members of the principal Joint Stock Directorates. So pronounced indeed is the difficulty of obtaining eligible Directors, and so insistent is the desire of other banks to secure the services of promising business men, that it has been urged in some quarters that the Bank of England would do well to cease to regard it as their rule that Directors of Joint Stock Banks are ineligible for a seat on the Court.

We have gathered from the opinions expressed by our colleagues that there is a general disinclination on their part to view with approval any such departure from the rule as at present existing. It is represented that any invitation extended to the Director of a Joint Stock Bank would necessitate an invidious selection: that such a selection would inevitably give rise to jealousy and friction in the Joint Stock Bank community: that it would be impossible for the Director of a Joint Stock Bank to dissociate himself from the interests of his own Bank, which would be likely to exercise the first call upon his consideration: that it would be difficult for him not to feel bound to disclose to his Chairman or Deputy Chairman information of which he might have become possessed at the Court: that the attitude and judgment of a Bank of England Director ought not to be swayed by some considerations by which a member of the Joint Stock Bank Directorate must necessarily be affected: that the presence of Directors of Joint Stock Banks on the Court would not inspire increased confidence in the Bank of England, either among the business community in general or the Clearing Bankers in particular: and finally, that having regard to the marked growth of the deposits of the Joint Stock Banks, any step which would tend to subject these deposits and those of the Bank of England to an identical control must be viewed with alarm.

These considerations apply more particularly to Directors of the large Joint Stock or "Clearing" Banks; and we have therefore been led by our deliberations to the conclusion that we cannot recommend that such "Bankers" should be eligible for election to our Court. But in view of the fact that the dearth of candidates for selection within the limitations which have hitherto obtained must be a serious preoccupation to those who wish to secure the nomination of an able and efficient Directorate, we are clear that we should use every endeavour to remove to some extent the existing inconvenient restraint on our field of selection, and that we should feel ourselves at liberty to extend a personal invitation to serve on our Court to selected individuals from among the Directors of British Banks with Branches in India, the Colonies, or South America. Similarly, any member of our Court should be permitted to join the Directorate of these Banks.

The Court would thus have the opportunity of acquiring more precise information than at present on matters of general financial and commercial interest. The mutual understanding which it should be our duty to ensure by a closer touch and by a more intimate co-operation with the Joint Stock Banking community, might further be promoted by arrangements being made to extend an invitation to representatives of the "Clearing" as well as of the other Banks, which would enable these gentlemen to attend any meeting of our Committee of Treasury for the debate and discussion of particular questions of common interest.

It has been suggested that our field of selection might be further enlarged by the inclusion of persons whose headquarters are not within the London area. While not averse in principle to the adoption of this suggestion, we believe that the counsel to be afforded by a Director can only be of value if it is the outcome of a continuous appreciation of the atmosphere and of the conditions which rule at the Bank of England, and we consider it essential that invitations to figure on the Court should only be extended to those business men whose occupations and interests would permit them to make a constant practice of being present at the Bank, on occasions apart from those on which they attend the weekly Court or are summoned to serve on Committees.

We are persuaded, however, that any suggestions which we may make with a view to enlarging our field of selection will prove to be without avail, unless the Court determine to take measures to form a list of candidates for election. This question would seem to have received intermittent attention in the past: in the future it must be studied with greater regularity and with greater diligence. It may even be convenient that some "Committee of Selection" should be created, whose duty it would be to hold meetings at regular intervals and to endeavour to arrange that an adequate number of names, from which selection could be made on the occurrence of any vacancy, should be at the disposal of the Court.

It would obviate to some degree the difficulty in securing candidates for election, were it possible to make a definite promise to an intended candidate that his election would take place within a reasonable time.

It remains for us to refer to further recommendations which we put forward in connection with the internal organization of the Bank.

We have recommended the amalgamation of certain of the Standing Committees into one Staff Committee. The evidence we have had the opportunity of receiving is almost unanimous in favour of some such reform. We consider that it is desirable that the Deputy Governor should be the Chairman of this Committee, and that meetings should be held at frequent intervals.

We have refrained from making too detailed an examination of other questions of internal organization, although there are several points to which our colleagues have called our attention, and which in our opinion merit serious consideration. The duties of the Daily Waiting Committee—the reform of the “Out Cash” regulations—the audit of the Branches, with less routine work and a more intelligent study of the conditions which rule in the Provinces—the education and experience to be gained by the younger members of the Court by association in the daily working of the Bank—involve questions of policy as well as of detail, and deserve active examination, and perhaps reform. But we are content to leave the consideration of these matters for times which may, we trust, be less troublous, and we will confine ourselves to a review of the chief remaining recommendations which will be found at the end of this Report.

Opportunity has been taken of ascertaining the views of our colleagues as to whether the custom should be continued by which the Governor and Deputy Governor hold office for two consecutive terms of one year.

It is evident that there is a consensus of opinion against any change being made in this respect, and we see no reason to recommend a departure from the general practice at present ruling.

The views of our colleagues have also been obtained as to the desirability of nominating an Assistant to the Governors, to be selected from among the Directorate, with perhaps a like tenure of office.

The replies we have received are naturally influenced by a recognition of the advantages which have accrued to the Bank from the arrangement of which they have had the benefit during the last two years; but, apart from this consideration, it is generally agreed that it would be to the advantage of the Bank that such an office should be continued, and such powers assigned to the holder as would devolve on him the duties which are not necessarily within the province of the occupants of the Chairs. We recognise, however, that it is not reasonable to expect that a succession of Directors will be willing to devote four consecutive years to such service before they can have a prospect of attaining the principal dignity of the Bank. In addition to this reason, it is provided by the Charter that a General Court is empowered to allow such “salaries and allowances” to the Directors “as to them shall seem

meet"; and the Order of the General Court at present in force fixes the amount at £500 per annum for each Director, £1,500 for the Deputy Governor, and £2,000 for the Governor. It is therefore impossible, without the endorsement of a General Court, to arrange for a proper remuneration being made to a Director who might be selected to fill such a position.

It has been suggested that this difficulty might be surmounted by the appointment to such a post of a permanent official, to whom, of their own authority, our Court could vote an adequate salary, and who would discharge the duties which might be generally described as those of a "General Manager."

We agree that the creation of some such office would add in a marked degree to the efficiency of the internal organization and working of the Bank. This official would relieve the Governors of work of a detail and routine character with which they are at present encumbered, with the result that there would be a commensurate increase of time at their disposal for the study and consideration of the larger questions of policy to which it is imperative that they should have leisure to devote their energies.

Such an arrangement would have the further advantage that there would always be available to the Governors the services of an official of practical training, in whose person would be focussed an intimate knowledge of the working of the internal organization of the Bank, as well as of the procedure adopted and the precedents followed by the series of Governors during whose terms of office he had served.

The adoption of such a means of securing a continuity of specialised knowledge of a comprehensive character would, we are convinced, be a most valuable aid towards ensuring a consistent and reasoned policy in the direction of the internal management and working of the Bank, while it would have the further advantage of providing a link of a permanent nature between the members of the Staff as a whole and the occupants of the Chairs, a link which we are persuaded would prove useful in the highest degree in promoting a satisfactory co-ordination of the relations between the executive and the personnel of the Bank.

But we are convinced that a permanent official if so appointed would lack the inherent power and authority to give that force to his decisions which would enable him to attend with effect to the management of the questions committed to his care; and we consider that for this purpose the authority which attaches to the position of a Director is essential. We have therefore decided to recommend the appointment, from among the members of the Court, of a Director, who, while holding a position admittedly subordinate to that of the Governors, could be charged with the duties of which we have given some outline. While his election would technically be annual, as provided by the Charter, the appointment would be considered as of a more permanent character; and in view of the intention that his responsibilities should be limited to those of "management," he should be ineligible for election to the Chairs.

We are all the more disposed to make this recommendation in view of the fact that we appreciate that the Bank have in their present service a Chief Cashier who possesses to an ideal degree the qualifications required for the successful discharge of the duties of this position.

We are aware that the occupant of this post must be adequately remunerated, and that, as already mentioned, direct arrangements for such remuneration cannot be completed without the consent of a General Court. It is true we are informed that it is competent for the Court to pension any Official at any figure and to recommend him for election to the Court, and that in consideration of eminent service it would be reasonable for such pension to be on a high scale; but we do not apprehend that the proprietors would be unwilling to authorise the necessary salary; indeed, we believe that they would readily acquiesce in a suggestion which is put forward in order to meet conditions which are now abnormal, and which must necessarily continue to be so for several years after the conclusion of peace.

We are not without hope that such an appointment, together with the adoption of our recommendation in connexion with the Standing Committees, may result in an active and continuous interest being taken by members of the Court in the domestic organization of the Bank, and may counteract to some extent the tendency which would seem to have developed recently in the direction of over-centralization.

Finally, we make a recommendation that the Court should give immediate consideration to the question of the limitation of the War Profits of the Bank, and that they should examine the further question of the ultimate disposal of those already accrued.

As regards the latter it has been suggested that a "gift to the Nation" would afford an effective answer to such general criticism on the subject of War Profits as is said already to exist, as well as a reply by anticipation to any particular criticism which may be expressed by the "Select Committee on National Expenditure" now in Session.

On the other hand it may be found on examination that the Bank's Reserves are not more than sufficient for its present liabilities. In that case consideration might well be given to the wisdom of making some arrangement which, without leading to State Partnership, would ensure a cession of a portion of profits earned, on a basis which would render the Bank immune from criticism over a long period and which would make the adjustment of charges incurred by the Treasury a simpler matter than at present it is or can well be made. An enquiry into the operations of the Bank is believed to be inevitable.

In the event of either of these considerations finding favour, we are of opinion that opportunity should be taken to examine the advisability of effecting an increase in the Capital of the Bank.

We recommend the following proposals for adoption by the Court, viz:—

A. Governor and Deputy Governor.

1. That the Director whom it is intended to propose as Deputy Governor be selected from among the Members of the Committee of Treasury.

2. That the Governor and Deputy Governor be under obligation to inform the Committee of Treasury concerning the affairs of the Bank of England.

~~3. That a Member of the Court be appointed to assist the Governors, and that his signature be accepted in lieu of that of the Governor or Deputy Governor.~~

B. Directorate.

1. That Directors of British Banks with Branches in India, the Colonies, or South America, be considered eligible for election to the Court.

2. That no person connected with a Discount House or Company be eligible for election to the Court.

3. That before a definite invitation be extended to any individual to join the Directorate, his name be submitted to, and approved by, the Court; a fortnight's interval at least to elapse between such submission and approval.

4. That every Candidate before election as a Director be required to express his willingness to fill the offices of Deputy Governor and Governor if and when called upon to do so.

5. That ex-Governors shall continue to sit on the left of the Governors, and that all other Directors, whether Members of the Committee of Treasury or not, shall sit in the order of their seniority of Election to the Directorate, the Senior Director who has not passed the Chairs being on the Governor's immediate right as at present.

6. That all Directors be required to serve on the Staff Committee for at least ~~five~~^{three} consecutive years after their first election to the Court.

7. That no Director of the Bank become a Member of the Board of any Company without the consent of the Court.

8. That, subject to the consent of the Court, any Director of the Bank be considered eligible for a seat on the Board of any British Bank with Branches in India, the Colonies, or South America.

9. That every Director be entitled to inform himself as to the general working of the Offices of the Bank, but that no Director be entitled to make enquiries of a confidential nature concerning the affairs of the Bank except with the consent of the Governor.

10. That all Directors, other than the present Members of the Court, be required to retire at the age of 70.

C. Committee of Treasury.

1. That the Committee shall consist of not more than nine Directors, including the Governors ~~and the Director appointed to assist the Governors~~, who shall be *ex-officio* Members; that the other Members be elected annually, and shall include at least three Directors who have not passed either Chair, ~~and one Director who has passed the Chairs.~~

2. That the Members of the Committee, other than the *ex-officio* Members, be elected by the Court by free and secret ballot from among all the Directors, and that casual vacancies be filled by the Court at its discretion.

3. That a Secretary be in attendance at the Meetings of the Committee.

4. That Minutes be kept of the Committee's proceedings.

5. That By-Law No. 7 be held to apply to the Members of the Committee.

6. That the Committee be empowered to invite any Member of the Court to attend Meetings of the Committee, and to invite Members of the outside Public to attend for the discussion of special matters.

7. That Reports of standing Committees be made in the first instance to the Committee for submission to the Court.

D. Standing Committees.

That the following Standing Committees, viz. :—

- ✓ The Committee for the Examination of Clerks,
- ✓ The Committee for Appointments and Promotions of the Staff,
- ✓ The Committee for Branch Banks (for all matters relating to the Staff at the Branches, including the Agents and Sub-Agents),
- ✓ The Committee of Inspection for the Accountants' Offices, ✓
- ✓ The Committee of Inspection for the Cashiers' Offices,
- ✓ The Committee for the House and Servants,

be amalgamated into one Committee, to be styled the Staff Committee, under the Chairmanship of the Deputy Governor.

That the other Standing Committees, viz. :—

The Committee on Advances and Discounts (to which shall be added those duties of the Branch Banks Committee relating to Advances), and

The Audit Committee,

remain as separate Standing Committees.

We further recommend —

That Committees be immediately appointed

(a) To consider and report as to the necessity of a revision of the Bank Act of 1844;

(b) To consider the question of the limitation of the War Profits of the Bank; to consider whether some portion of the accrued War Profits should be handed over as a gift to the Nation; and whether such arrangements should be accompanied by an immediate application for permission to increase the Capital of the Bank.

These, Gentlemen, are the recommendations which we hope will merit the endorsement of the Court.

We shall be content if we succeed in convincing our colleagues that it is incumbent on us to act with promptitude and with decision, so that such a degree of vigour and strength may be communicated to our counsels as may enable us to remove some causes of apprehension and complaint which, perhaps, we owe less to our Constitution than to our own conduct.

The evidence we have received is not in favour of the Bank of England being controlled or acquired by the State. Independent witnesses have given it as their opinion that it is desirable, in the interest of the commercial world, that the Bank should preserve its independent existence.

But if the Bank is to continue to stand firm on its ancient foundations, it behoves us to understand the signs of the times and the temper of the community; and immediately to study such feasible and desirable measures, to take such active and intelligent decisions, as may ensure a loyal and united administration of our own affairs and the strengthening of our mutual relations with outside corporations. Thus, we submit, the Bank of England will be entitled to maintain that independent authority which, with a good and efficient government of our affairs, we believe to be to the truest interest not only of the commercial community but of the State itself.

We desire to express our appreciation of the assistance rendered to us by our Secretary, Mr. R. C. G. Dale. The work devolving upon him has been both difficult and onerous, and his services have been invaluable.

We have the honour to be,

Gentlemen,

Your obedient Servants,

REVELSTOKE,

Chairman.

FRED. HUTH JACKSON,

M. NORMAN,

CECIL LUBBOCK,

R. M. KINDERSLEY.

BANK OF ENGLAND,

23rd January, 1918.

COMMITTEE OF TREASURY,

13th February, 1918.

The Committee have had under consideration the Report, dated the 23rd January 1918, of the Special Committee appointed by the Court of the 11th October 1917. They desire to place on record their appreciation of the able manner in which the members of the Special Committee have carried out their work, and have pleasure in recommending to the Court that the recommendations enumerated on Pages 9 to 11 of the Report be adopted in their entirety, with the exception of A.3 and B.10, the substitution of "three years" for "five years" in Clause B.6 and a slight verbal alteration in C.1.

A. GOVERNOR AND DEPUTY GOVERNOR.

(3) The Committee do not feel that a change of this character is necessary in normal times, but they are of opinion that in abnormal conditions, such as obtain at the present time, it may be desirable to arrange for a member of the Court to assist the Governors temporarily, and they recommend that the Clause should read as follows:-

"That, should the necessity arise, a member of the Court be appointed from time to time ^{and} for a limited period to assist the Governors, and that his signature be accepted in lieu of that of the Governor or Deputy Governor."

The Committee fully realise that it would be a distinct advantage to the Bank to co-ordinate both sides of the House under one Head, and they agree with the Special Committee that the Chief Cashier, with his wide knowledge of the internal affairs of the Bank, would be eminently suited to be entrusted with management powers. They cannot, however, admit that a seat on the Court would be necessary to achieve this purpose, while they feel that if he were appointed to the Directorate to act as an Assistant to the Governors, power would tend to become more and more centred in his hands, and he would virtually become a sub-Governor, to the possible disadvantage of the Governors. They therefore regret that they

cannot

cannot see their way to recommend the suggestion made by the Special Committee.

They recommend, however, that the management of all the Offices of the Bank shall be under one head official, whose duty it shall also be to be present at the Meetings of the Court and of the Treasury Committee.

B. DIRECTORATE.

(6) The Committee consider that in the event of a large accession of new Directors within a few years, the Committee, unless exclusively composed of new Directors, might become unduly numerous, and for this reason, as the clause merely fixes the minimum time that should be devoted to the duties in question, the Committee recommend the substitution of "three years" for "five years" as the period of service.

(10) The Committee fully realise that there are advantages in fixing an age limit to the term of Directorships of the Bank, but in the first place they are not convinced that the advantages outweigh the disadvantages of such a system, and in the second place, they find themselves unable to recommend the adoption of a rule which, while pronouncing in favour of the system, abstains from applying it to the present Directors.

They therefore recommend that the Clause be deleted.

C. COMMITTEE OF TREASURY.

(1) The Committee understand that it was the intention of the Special Committee that the words "at least" in this clause should apply to the whole of the ^{remainder} ~~recommendation~~ of the paragraph, and they therefore recommend that for greater clearness the words "at least" be inserted after the word "and" in line 5. The Clause would then read as follows:-

* "and at least one Director who has passed the Chairs".

Selected by Com^{tee} of Treasury
20 Feb 1918.

With

With reference to the suggestion on Page 5 of the Report in regard to the selection of Candidates for the Direction, the Committee recommend that a Committee of Selection be appointed at once.

The resolutions of the Committee of Treasury on Clauses ^{B.6}~~A.1~~ and B.10 were only carried by a majority of votes and those on A.3 and C.1 were carried nem. con. with one or more abstentions.

Although Lord Revelstoke and Mr. Norman attended all the meetings of the Committee of Treasury on this matter they naturally abstained from voting.

February, 1918.

