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A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH JANUARY 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

Jack Gale Wilmot Davies, Esq., O.B.E.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Pforde, Esq.

Hector Laing, Esq.

Sir John Maurice Laing

Lord Nelson of Stafford

Sir Eric Roll, K.C.M.G., C.B.

Lord Weir

The proceedings of the Court of the 18th December 1975 were read, and those of the Meetings of the 24th and 31st December 1975 were read and confirmed.

After commenting on the weekly Figures, the Deputy Governor said that the period covering the Christmas and New Year holidays had been notable for substantial swings of funds into and out of the money market, for reductions of  $\frac{1}{8}\%$  in Minimum Lending Rate in two successive weeks and also for a continuously high level of sales of gilt-edged stocks, which had led to substantial price rises throughout the list and, in the last few days, to the exhaustion of both long and short tap stocks. Despite the falls in U.K. interest rates, sterling had remained firm in overall terms and had gained some ground against the U.S. dollar, which had been affected by actual and prospective reductions in rates in the U.S.A.

The Deputy Governor acquainted the Court of the intention to construct an extension to the Southampton

Branch, the main purpose of which was to provide additional working space and improved security and note-handling arrangements.

On behalf of the Court, Lord Nelson asked that their deep satisfaction and pleasure at the Governor's appointment to the Privy Council, announced in the New Year Honours List, should be placed on record.

*L. Nelson*  
Secretary

15<sup>th</sup> January 1976.

*Len*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH JANUARY 1976

Present

Gordon William Humphreys Richardson, Esq., M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
Jack Gale Wilmot Davies, Esq., O.B.E.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C. B. E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
The Rt.Hon.Lord Robens of Woldingham  
Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly figures, the Governor said that firm and active conditions had prevailed in the gilt-edged market. Despite a short pause in the upward trend following Press comment on the possible size of the public sector borrowing requirement in the light of the Chancellor of the Exchequer's letter to the International Monetary Fund, the week had seen substantial rises in gilt-edged prices throughout the list. The equity market, likewise, had continued to show strength, while in the foreign exchange markets, sterling, after a steady start, had fallen back slightly against the U.S. dollar and in overall terms.

The Governor described to the Court the situation in the money markets, where the effects of large-scale sales of gilt-edged stocks by the authorities and the seasonal revenue surplus were expected, in the period immediately ahead, to put temporary pressure on the reserve asset position of banks. In consequence, the Governor proposed, with the approval of the Chancellor of the Exchequer, a release and recall of Special Deposits: the repayment to be 1% of eligible liabilities and to be made on the 19th January to all banks (other than those in Northern Ireland) and to deposit-taking finance houses; and, unless otherwise provided, the rate of call to be restored to its present level of 3% on the 10th February. This was approved. The Governor emphasised that the dual operation was a smoothing measure intended to help the Bank's management of the money market and short term interest rates and did not represent a change in monetary policy; this would be made clear to the Press.

The following were submitted and approved -

1. A Report of the Staff Committee on the Preservation of Pension Benefits.
2. A Minute of the Charitable Appeals Committee on the granting of two donations.

A letter from Messrs. Freshfields having been submitted together with a document to be sealed -

A Licence relating to a sub-tenancy at Regent Arcade House

the Court approved thereof and

ORDERED

that the document in question be sealed with the Common Seal of the Bank.

At the Governor's invitation -

Mr. McMahon spoke on the course of events at the meetings of the Interim Committee of the International Monetary Fund held in Jamaica the previous week.

Mr. Dow spoke on the Economic Report for January.

*W. A. Taylor*  
Secretary  
22<sup>nd</sup> January 1976.

*John*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND JANUARY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
Jack Gale Wilmot Davies, Esq., O.B.E.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that a further reduction in the Treasury Bill rate at the weekly tender had brought Minimum Lending Rate down by  $\frac{1}{8}\%$  to  $10\frac{1}{2}\%$ . Both the gilt-edged and equity markets had been less active than of late and prices had settled somewhat below peak levels seen recently. With a continuing useful differential in favour of sterling against the U.S. dollar, the pound had stood up well until affected at the end of the period by pressures associated with the weakness of the Italian lira. Gold had continued to be a nervous market, with the price at a two-year low.

A Minute on Appointments recommended by the Governors was read and approved.

The following were laid before the Court -

1. A Report of the Staff Committee on the Chief of Establishments' Review of General Staff Administration and Training.
2. A Report from Mr. de Rothschild and Lord Weir on their visit to the Leeds Branch.
3. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 15th January.

*W. A. Taylor*  
Secretary  
29<sup>th</sup> January 1976.

*See.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 29TH JANUARY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
Jack Gale Wilmot Davies, Esq., O.B.E.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington

The proceedings of the last Court were read.

After commenting on the Figures, the Governor referred to the second fall of  $\frac{1}{8}$  in successive weeks which had brought Minimum Lending Rate down to  $10\frac{1}{8}$ %. He said that, after some early hesitation, a resurgence of demand in the gilt-edged market had exhausted the long tap stock: and the equity market also had resumed its advance. Sterling had put up a generally satisfactory performance during the period, in which the French franc had been the subject of sharp speculative pressures; and, in an active market, the gold price had made a somewhat nervous recovery from the low level of the previous week.

Arising from the Annual Review of Staff -

A Minute on Appointments, etc., recommended by the Governors was read and approved.

A Report of the Staff Committee recommending certain Gratuities was submitted and approved.



The following were also submitted and approved -

1. The Quarterly Report of the Audit Committee and Annual Review of the Audit Department programme.
2. The Annual Review of the work of the Audit Committee.

The Governor outlined to the Court proposals, currently being discussed, for certain changes in the organisation of the administration of the Bank affecting the management of support services and non-staff resources. The proposals would involve the creation, under the Executive Director responsible for Staff and Administration, of a new Administration Department incorporating the functions of the present Secretary's, Audit and Management Services Departments, together with certain responsibilities for premises currently undertaken in the Establishment Department. The Governor said that the Bank's forthcoming appearance before the Select Committee on Nationalised Industries made it desirable that the proposed reorganisation, if it were to take place, should be announced without delay and the Court agreed that necessary preliminary discussions be held with the Staff Representatives.

It was agreed that, to enable those Members of the Court who might wish to attend the Memorial Service on the 11th March for their former colleague, Sir Val Duncan, the Court on that day would meet at 2.15 p.m.

*A. Nathan*  
Secretary  
5<sup>th</sup> February 1976

*See*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 5TH FEBRUARY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
Jack Gale Wilmot Davies, Esq., O.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that a further sharp fall in the Treasury Bill rate at the weekly tender had caused a reduction of  $\frac{1}{2}\%$  in Minimum Lending Rate to 10%. The continuing fall in interest rates had led to further improvement in the gilt-edged and equity markets, although in both markets the early pace of the advance had not been fully sustained. Some diversification of oil royalty money had strengthened the deutschemark against the U.S. dollar, and, after a steady start, sterling had also been affected by selling pressures but had recovered somewhat by the close.

Arising from the Annual Review of Staff, a Minute on Gratuities recommended by the Governors to certain members of the Printing Works Staff was read and approved.

A Report from Mr.Davies and Mr.Clay on their visit to the Liverpool Branch was laid before the Court.

A Letter from Messrs.Freshfields having been submitted together with a document to be sealed -

A Deed of Covenant with the Charities Aid Foundation the Court approved thereof and

ORDERED

that the document in question be sealed with the Common Seal of the Bank.

With reference to a Minute of the previous week, the Governor laid before the Court a note giving details of the proposed creation of a new Administration Department. Commenting on the proposals, he said that they represented a regrouping of existing support services and non-staff resources so as to provide more effective control of such resources through a clearly defined chain of command. The Court agreed that the reorganisation should be put in train so as to be effective from the 1st March next.

*H. G. ...*  
*Deputy Secretary*  
*12<sup>th</sup> February 1976.*

*Len*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 12TH FEBRUARY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Adrian Hayhurst Cadbury, Esq.  
Jack Gale Wilmot Davies, Esq., O.B.E.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that the further fall in the Treasury Bill rate at the weekly tender had again brought Minimum Lending Rate down by  $\frac{1}{2}\%$ , to  $9\frac{1}{2}\%$ . Both the gilt-edged and equity markets had been quieter and prices had eased despite the falls in Minimum Lending Rate and base rates. The foreign exchange markets had continued to be nervous, with the Italian lira a centre of concern. Sterling had remained steady against the U.S. dollar, which itself had been weakened by the demand for deutschemarks; but in overall terms sterling depreciation had widened to a new record low.

Two Minutes of the Committee of Treasury on the following subjects were read and approved -

1. The formation of an Administration Department:  
and appointments therein.
2. The granting of a donation.

The Quarterly Report of the Committee to consider the Securities of Certain Funds was submitted and approved. A further Report of the Committee, concerned with revised Terms of Reference, was also submitted but referred back in order that a point relating to the role of the Trustees of the Pension Fund should be examined.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 5th February was laid before the Court.

Sir Alastair Pilkington was granted permission to join the Board of the British Petroleum Company Limited.

*La Haye*  
Secretary  
19<sup>th</sup> February 1976.

*Len*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 19TH FEBRUARY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

John Martin Clay, Esq.  
Jack Gale Wilmot Davies, Esq., O.B.E.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that there had been a small rise in the average Treasury Bill rate at the weekly tender, thus breaking a long sequence of declining rates: the rise was, however, not sufficient to cause a change in Minimum Lending Rate. Generally quiet and steady conditions had prevailed during the week in the gilt-edged and equity markets which were awaiting the publication that afternoon of the Government's White Paper on Public Expenditure. On the foreign exchanges the performance of sterling had largely reflected the ebb and flow of the fortunes of the U.S. dollar, while there had been an appreciable lessening of the tensions that had recently been affecting the "snake" currencies.

It was reported that H.M.The Queen had been pleased to approve the reappointment to the Court of Sir Maurice Laing, Lord Weir and Sir Alastair Pilkington, all for a period of four years from the 1st March 1976.

A Minute of the Committee of Treasury of the 19th February on the Appointment of an Executive Director was read and approved and arising therefrom it was resolved -

1. That pursuant to Section 139 of the Companies Act, 1948, and until otherwise resolved by the Court of Directors, Mr.George Blunden of the Bank of England, be authorised to act as the representative of the Governor and Company of the Bank of England at any Meeting of the Foundation for Management Education.
2. That pursuant to Section 139 of the Companies Act, 1948, and until otherwise resolved by the Court of Directors, Mr.C.W.McMahon, or failing him Mr.J.C.R.Dow, or failing him Mr.George Blunden, all of the Bank of England, be authorised to act as the representative of the Governor and Company of the Bank of England at any Meeting of Houblon Nominees.

The Annual Report of the Charitable Appeals Committee on Subscriptions and Donations was submitted and approved.

With reference to a Minute of the previous week, the Deputy Governor described the existing arrangements for providing the Trustees of the Pension Fund with details of investment transactions carried out under the direction of the Court. These arrangements were regarded as satisfactory and, accordingly, the Report of the Committee to Consider the Securities of Certain Funds recommending revision of their Terms of Reference was approved.

A statement of Forthcoming Retirements and  
Secondments was laid before the Court.

The Economic Report for February was introduced  
by the Governor who invited Mr. Dow to speak: a discussion  
followed.

1. *Sample -*  
*Secretary*  
*26<sup>th</sup> February 1976*

*Jan*



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 26TH FEBRUARY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

John Martin Clay, Esq.  
Jack Gale Wilmot Davies, Esq., O.B.E.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Sir Lionel Alexander Bethune Pilkington  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

Having commented on the weekly figures, the Governor said that the gilt-edged and equity markets, after some initial hesitation following the publication of the Government White Paper on Public Expenditure, had subsequently recovered in generally steady and quiet trading conditions. The exchange markets also had been calm and orderly, with sterling showing firmness against the U.S. dollar and in overall terms.

It was reported that Sir Maurice Laing had acted as Alternate at a Meeting of the Committee on Permanent Control of Expenditure on the 25th February.

A Report of the Committee of Treasury of the 26th February on the payment of retirement benefits to Mr.J.G.W.Davies was submitted and approved.

The following were read and approved -

1. A Minute of the Committee of Treasury on the appointment of an economist.
2. A Minute of the Charitable Appeals Committee on the granting of a donation.

The Statement of Accounts of the Bank Provident Society for the year ended the 30th November 1975 was laid before the Court.

The current paper on "World Payments Trends" was introduced by the Governor who invited Mr. Dow to speak. Mr. Dow also commented on the Government's White Paper on Public Expenditure.

*H. J. G. H.*  
*Secretary.*  
*4<sup>th</sup> March, 1976.*

*Len*

COURT OF DIRECTORS

For the year ending the 28th February 1977

<u>Declaration made before</u>	<u>Date</u>	
		The Rt.Hon.Gordon William Humphreys Richardson, M.B.E. Governor
		Sir Jasper Quintus Hollom, K.B.E. Deputy Governor
		Lord Nelson of Stafford
Deputy Governor	25.2.76 /	Sir John Maurice Laing
		The Rt.Hon.Lord Robens of Woldingham
		Sir Eric Roll, K.C.M.G., C.B.
		Leopold David de Rothschild, Esq.
		George Adrian Hayhurst Cadbury, Esq.,
		John Standish Fforde, Esq.
		Lord Greene of Harrow Weald, C.B.E.
		Christopher William McMahon, Esq.
Deputy Governor	18.3.76 /	Lord Weir
		John Martin Clay, Esq.
		John Christopher Roderick Dow, Esq.
		Hector Laing, Esq.
Deputy Governor	26.2.76 /	Sir Lionel Alexander Bethune Pilkington, F.R.S.
Governor	27.2.76 *	George Blunden, Esq.
Deputy Governor	13.5.76 *	Sir Robert Anthony Clark, D.S.C.

/ Reappointed 1st March 1976

\* Appointed 1st March 1976

\* Appointed 6th May 1976

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 4TH MARCH 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Sir Lionel Alexander Bethune Pilkington  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the Figures, the Governor referred to the further fall of a  $\frac{1}{2}\%$  which had brought Minimum Lending Rate down to  $9\frac{1}{2}\%$ . He said that gilt-edged stocks had been unsettled by the announcement of a £100 million Greater London Council loan and in a thin market prices had tended to become easier. Equity prices had also drifted lower in quiet conditions, a rally having been reversed by developments in Africa. In the exchange markets, sterling had benefited from commercial demand and had stood up well against a generally stronger U.S. dollar. The dollar itself had been in good demand, in the main due to a rise in U.S. interest rates, but was less firm later after some profit taking. The resumption of activity by the Banca d'Italia had failed to protect the lira from further depreciation.

A Report of the Committee on Permanent Control of Expenditure was submitted and approved.

A Report from Sir Eric Roll and Mr. Dow on their visit to the Newcastle Branch was laid before the Court.

A letter from Messrs. Freshfields having been submitted together with a document to be sealed -

A Deed of Appointment of New Trustee to the Bank of England Pension Fund  
the Court approved thereof and

ORDERED

that the document in question be sealed with the Common Seal of the Bank.

Pursuant to an Order of Court of the 1st March 1946 regarding the Committee of Treasury, voting took place for the election of the Committee for the ensuing year.

*B.C. Foy*  
Secretary  
11<sup>th</sup> March, 1946

*S. L.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 11TH MARCH 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the Figures, the Governor referred to the second fall of  $\frac{1}{8}\%$  in successive weeks which had brought Minimum Lending Rate down to 9%. He said that, unsettled by exchange market developments, gilt-edged stocks had been generally easier, although price falls had not been large. The equity market, on the other hand, had recovered from a slight setback at the outset and had maintained a firmer trend over the rest of the period. In the foreign exchange markets, sterling, having been initially in good demand, had met a sudden and violent change in sentiment which had taken it through the \$2 barrier. As the week had progressed, further pressures had carried it still further into new low ground, both against the dollar and in terms of effective depreciation. The U.S. dollar had suffered initially from sterling's weakness but had then recovered, particularly against the French franc, which had required heavy support.

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The Governor reported that the following had been elected Members of the Committee of Treasury for the ensuing year -

LORD NELSON  
SIR MAURICE LAING  
LORD ROBENS  
SIR ERIC ROLL  
MR. CADBURY

A Minute on the appointment of Standing Committees, etc., for the ensuing year recommended by the Governors was read and approved.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 4th March, was laid before the Court.

A letter from Messrs. Slaughter & May having been submitted together with two documents to be sealed -

Deeds in connection with the restructuring of certain indebtedness to the support group to be entered into by the First National Finance Corporation Limited and others

the Court approved thereof and

ORDERED

that the documents in question be sealed with the Common Seal of the Bank.

*K. J. ...*  
*Secretary*  
*13<sup>th</sup> March, 1976.*

*See*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 18TH MARCH 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that gilt-edged stocks had experienced an uneasy week due to the situation in the exchange markets, the disappointing Trade Figures and the news of the resignation of the Prime Minister. The firmer trend established last week in the equity market had continued, with slight hesitations, until the announcement concerning the Prime Minister, which had brought sharply lower prices. It had been a period of strain for all leading currencies except the deutschemark and the Swiss franc and, at the outset, sterling had been under heavy pressure. On the continent, the situation had become increasingly disorganised, with the French withdrawal from the "snake" and the continuing weakness of the lira even after an increase in the Italian bank rate from 8% to 12%.

(5)



A Minute of the Charitable Appeals Committee on the granting of a donation was read and approved.

A paper on matters arising from the intention of the Staff Organisation to operate independently of the Bank was submitted and approved.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 11th March, was laid before the Court.

The Deputy Governor spoke to the Court about an actuarial valuation of the Pension Fund as at the 28th February 1975. This showed that the current contribution rate was more than adequate on the basis of the assumptions adopted in 1972. In formulating views about the Fund's earnings and the rate of inflation over the years ahead, the Actuary had submitted valuations on various other and less favourable assumptions. He was of the opinion that the group of assumptions likely to prove the most reliable funding basis was that which would produce a deficit of £15.4mn., assuming a change in the real rate of interest to the Fund from 2½% to 1½%. The Deputy Governor said that he had found this assumption implausible and considered that there were inadequate grounds at this stage for adopting a different set of assumptions from that used for the Actuary's 1972 revaluation. The Committee of Treasury had concurred with this view and had favoured holding to the basis adopted in 1972 for a further three years. The Deputy Governor added that the Committee of Treasury had also agreed that, in view of the uncertainties of the outlook, the surplus of £6.7mn., which emerged from the Actuary's calculations on this basis, should be left as a reserve and that no change should be made in the contribution level for the time being.

The Economic report for March was introduced by the Governor who invited Mr. Dow to speak: a discussion followed.

*H. G. ...*  
*Secretary*  
*25<sup>th</sup> March 1976.*

*den.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 25TH MARCH 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
Leopold David de Rothschild, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that, after a quiet and steady start, the gilt-edged market had improved and the better tone had continued for the rest of the period. Equities had been easier at the beginning but had then followed a similar pattern. In the foreign exchange markets, initially the "snake" arrangement had remained under pressure but conditions had steadied progressively. Sterling had at first been on the sidelines but, after a slight weakening in reflection of pressures elsewhere, some demand had emerged and, with a firmer U.S. dollar, the lost ground had been regained.

A provisional statement of the estimated operating profit of the Banking Department for the year ended the 29th February 1976 was laid before the Court and, arising therefrom, a Minute of the Committee of Treasury of the 24th March on a payment to H.M.Treasury pursuant to Section 1(4) of the Bank of England Act, 1946, was read and approved.

CS

The following were laid before the Court -

1. A Report of the Staff Committee on Banking Staff resignations.
2. A Report from Mr. Cadbury on his visit to the Southampton Branch.

*John H.*  
*Secretary.*  
*1<sup>st</sup> April, 1976.*

*See*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 1ST APRIL 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that gilt-edged stocks had been steady or firm for most of the week, although they had eased temporarily following the announcement of the new tap issue. The equity market had initially been firm but had weakened on the Cambridge Economic Policy Group report on the prospects ahead. In the foreign exchange markets, sterling had remained weak and, unsettled by various factors including an easier U.S. dollar, had retreated through a series of new lows in terms of effective depreciation. Pressure on sterling had not been severe, however, until that morning, when the rate had fallen quite sharply.

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A Minute of the Committee of Treasury on the Appointment of a Foundation Governor of the Central Foundation Schools of London was read and approved.

The following were laid before the Court -

1. A Report from Mr. McMahon and Sir Alastair Pilkington on their visit to the Manchester Branch.
2. A statement of Forthcoming Retirements.

The Deputy Governor reported to the Court on the operation of the Printing Works.

The Governor spoke to the Court about the first of a regular series of meetings he had held with with Heads of Departments, following the completion of a review of communications within the Bank. Arising therefrom, it had been proposed that a small group of Directors should be formed to establish a link between the Court and the Accountant's Department. He said that the Committee of Treasury were sympathetic to the idea and the Court approved a proposal that Lord Weir, Sir Alastair Pilkington and Mr. Blunden should constitute a new informal committee for this purpose.

*H. C. ...*  
*Secretary.*  
*8<sup>th</sup> April, 1976.*

*See*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH APRIL 1976

Present

The Rt.Hon. Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that, after an easy start, the gilt-edged market had recovered somewhat and had strengthened further on the Budget statement. Equities had followed a similar pattern, except that there had been little reaction to the Budget itself. In acutely nervous markets, sterling had suffered two further periods of sharp decline which had carried it into new low ground. The U.S. dollar, on the other hand, after weakening initially, had then recovered well.

The Governor spoke to the Court in general terms about the Chancellor of the Exchequer's Budget proposals: and a discussion followed.

*H. L. G. H.*  
*Secretary*  
*15. April 1976.*

*J. H.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH APRIL 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor  
George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Christopher William McMahon Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that, following initial setbacks, the domestic markets had become generally firmer and had been helped by the improvement in sterling's performance and the favourable March Trade Figures. At the start of the period, sterling had remained in need of support; but continuous intervention had produced a degree of order and, with some commercial demand and a further boost from the Trade Figures, the rate against the dollar had become steadier by the close.

The Quarterly Report of the Committee to Consider the Securities of Certain Funds was submitted and approved.

10

The Accounts of the Samaritan Fund for the year ended the 29th February 1976 were laid before the Court together with a Minute of the Committee of Treasury with a recommendation for a grant of £862.29 to the Fund: and the Court approved thereof.

On the invitation of the Governor, Mr. Blunden outlined the major constitutional changes being brought into effect by the Bank of England Staff Organisation, with the aim of achieving recognition as an independent union. As a result, it was necessary to revise the Recognition and Procedure Agreement. A draft of an amended version of the Agreement, which was acceptable to the Staff Organisation, was laid before the Court and its terms were approved.

Letters from Messrs. Freshfields having been submitted, together with three documents to be sealed -

A Deed of Surrender and two Leases relating to accommodation at New Change

the Court approved thereof and

ORDERED

that the documents in question be sealed with the Common Seal of the Bank.

The Economic Report for April was introduced by the Governor who invited Mr. Dow to speak.

*B. Gough*  
Secretary  
22-3 April 1976

*ML*

*22/4/76*



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND APRIL 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

John Standish Fforde, Esq.

Lord Greene of Harrow Weald, C.B.E.

Hector Laing, Esq.

Sir John Maurice Laing

Sir Lionel Alexander Bethune Pilkington, F.R.S.

Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Deputy Governor said that, at the outset, the gilt-edged market had been further heartened by the small rise in the retail price index for March. However, due to the weakness of the exchanges, a quieter tone had subsequently developed. The equity market, likewise, had strengthened and had been helped by Wall Street and some encouraging company reports: the Financial Times index had risen to its highest point for more than two years. On the foreign exchanges, royalty sales by oil producers had caused sterling to lose ground. Despite a considerable degree of support, the pressure against sterling had been almost continuous, with a progressive widening of the effective depreciation. The U.S. dollar, on the other hand, had tended to become firmer.

The following were read and approved -

1. A recommendation by the Deputy Governor on the re-engagement of the Secretary of the Bank of England Club on a short-term contract from the date of her retirement.

- 2. A Minute on Appointments recommended by the Governors.

The following were laid before the Court -

- 1. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 15th April.
- 2. A statement of forthcoming Retirements and Secondments.
- 3. A statement of a Deferred Pension.

*W.C. [Signature]*  
 Secretary.  
 29<sup>th</sup> April 1916.

*Jan.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 29TH APRIL 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the figures, the Governor said that a marked increase in the Treasury Bill rate at the weekly tender had raised Minimum Lending Rate by  $1\frac{1}{2}\%$  to  $10\frac{1}{2}\%$ . The gilt-edged market had been sharply easier for the first part of the period, but had strengthened as sterling had steadied and had maintained this better trend. Equities had also drifted downwards at the outset; but, again, had improved after the weekend. In acutely nervous exchange markets, T.U.C. criticism of the 3% wage proposal had led to sharp falls in sterling. The rise in Minimum Lending Rate had then brought some relief; thereafter, the improvement had been progressive.

A Minute of the Committee of Treasury on the re-organisation of the Economic Intelligence and Overseas Departments, and on the creation of a new rank and the re-designation of an existing one, together with consequent appointments, was read and approved.



A Report of the Staff Committee on the Chief of Establishments' review of Salary Policy and Fringe Benefits was laid before the Court.

Two letters from Messrs.Freshfields having been submitted, together with two documents to be sealed -

Two Deeds of Variation (in triplicate) relating to a sub-tenancy at Bank House, Manchester

the Court approved thereof and

ORDERED

that the documents in question be sealed with the Common Seal of the Bank.

The Deputy Governor spoke to the Court about the facilities offered by the Educational Loans Scheme and the pressure of commitments on some borrowers. He outlined proposals for making available further advances and, in addition, loans to alleviate cases of proven hardship, all of which would be secured by means of endowment assurance.

[REDACTED]

*H. G. ...*  
*Secretary:*  
*6. May, 1976*

*Len*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 6TH MAY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Pforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Lord Nelson of Stafford  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that, despite some sensitivity to exchange market developments, both the gilt-edged and equity markets had strengthened during the course of the week. On the exchanges, sterling had started by improving quietly, but renewed nervousness ahead of the pay agreement had then widened the effective depreciation. Although sterling had strengthened again somewhat on the announcement of the new pay policy, adverse reaction to the details of the settlement had later had a depressing effect.

The Governor reported to the Court that H.M. the Queen had been pleased to approve the appointment of Sir Robert Clark to be a Director of the Bank until the 28th February 1977, in the place of the late Sir Val Duncan.

The following were submitted and approved -

1. A Minute on an Appointment recommended by the Governors.
  2. The Quarterly Report of the Charitable Appeals Committee.
- GD

The following were laid before the Court -

1. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 29th April.
2. A statement of Retirements and Secondments.

*H. C. Forster*  
Secretary  
13<sup>th</sup> May, 1976

*L. S.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 13TH MAY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that there had been a considerable demand for gilt-edged stocks and that the market had remained firm and active until towards the end of the week, when profit taking had caused a downward drift. Equities had been overshadowed by the rumour and then the announcement of the Imperial Chemical Industries' rights issue and prices had eased in light trading. In the foreign exchange markets, as the recent nervousness had evaporated slowly, a firmer undertone had emerged and sterling had improved steadily. However, at the close of the period, sterling had been depressed by oil royalty selling. Elsewhere, the U.S. dollar had strengthened as American interest rates had continued to move upwards.

Two Minutes of the Committee of Treasury on the following subjects were read and approved -

1. The appointment of Sir Robert Clark to certain Standing Committees, etc.
2. The making of a donation.

*H. J. D. J.*  
*Secretary*  
*20<sup>th</sup> May 1976.*

*Robinson* 20/5/76.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 20TH MAY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Christopher William McMahon, Esq.  
Sir Lionel Alexander Bethune Pilkington  
The Rt.Hon.Lord Robens of Woldingham  
Lord Weir.

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that, at the outset, the gilt-edged market had been subdued and that prices had been further depressed following the announcement of the April Trade Figures; later, some demand had developed, leading to the exhaustion of the long-dated tap stock. Equities had continued to drift lower in light trading but selective buying had resulted in a firmer trend by the close of the period. In the exchange markets, a number of adverse factors had combined to keep sterling under pressure. The U.S. dollar, on the other hand, had continued to forge ahead but it had suffered a reaction towards the close of the week.

The Quarterly Report of the Audit Committee was submitted and approved.

CS



The Governor spoke to the Court about the situation regarding the business of Edward Bates and Sons (Holdings) Limited and said that a standby facility to cover the deposits of its subsidiary, Edward Bates & Sons Limited, an authorised bank, had been made available by the Bank and the First Arabian Corporation.

The Economic Report for May was introduced by the Governor who invited Mr. Dow to speak: a discussion followed.

*H. G. ...*  
*Secretary.*  
*27<sup>th</sup> May 1976.*

*Let*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 27TH MAY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Pforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
The Rt.Hon.Lord Robens of Woldingham

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that the increase in the Treasury Bill rate at the weekly tender had raised Minimum Lending Rate by 1% to 11½%. The domestic markets, which had been overshadowed by the weakness of sterling, had reacted sharply to the increase in Minimum Lending Rate and had ended the period on an uneasy note. In the foreign exchange markets, the continued rise in American interest rates had stimulated demand for the U.S. dollar and sterling had come under heavy pressure. Despite the rise in Minimum Lending Rate, the pound had moved to new low ground at the week-end; for the rest of the week, however, it had hovered above the worst levels until a selling order finally widened the effective depreciation still further.

The following were submitted and approved -

1. A Report of the Committee on Bank Premises on their work.
2. A Minute of the Charitable Appeals Committee on the granting of a donation.

The Governor spoke to the Court about an agreement in principle for the sale of the Burmah Oil Company's North American oil and gas interests. He said that although the sale proceeds would not be sufficient to cover in full the dollar loans guaranteed by the Bank, they should enable the company to effect a substantial reduction in its net borrowing.

ker. 3/6/76  
de la Roche.  
Secretary.  
3rd June 1976.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 3RD JUNE 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Adrian Hayhurst Cadbury, Esq.

Sir Robert Anthony Clark, D.S.C.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Pforde, Esq.

Lord Greene of Harrow Weald, C.B.E.

Hector Laing, Esq.

Sir John Maurice Laing

Sir Eric Roll, K.C.M.G., C.B.

Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly figures, the Deputy Governor said that, at the outset, the domestic markets had been easier, but had then steadied and had remained quieter before weakening sharply towards the end of the period due to the fall of sterling. In thin trading in the foreign exchange markets, some modest commercial selling orders had met with negligible demand and had produced a further steady downward drift in the sterling rate. After the weekend, the drift had accelerated and, in a deepening mood of pessimism, a marked deterioration in the effective depreciation of the pound had taken it still further into new low ground. Apart from a strong demand for the Swiss franc, there had been little movement in other currencies.

A discussion then followed, in the course of which Members of the Court expressed their deep concern at the condition of sterling and the prospects for its recovery. They wished to assure the Governor of their support in this critical situation and to place on record

6

their view that it was incumbent upon the Government to take some immediate action in order to restore confidence in the currency. Discussion centred on the future course of Government expenditure and the need for its containment and reduction, though attention was also drawn, by several Members, to the damage that an over-precipitate attack on present spending plans could be expected to do to the employment situation and to other aspects of the economy.

A Minute of the Committee of Treasury on the opening of an Account was read and approved.

The following were laid before the Court -

1. Figures relating to the operating profits of the Banking Department for the year ended the 29th February 1976 and suggestions for their appropriation.
2. A statement of Forthcoming Secondments.

*H. J. G. J.*  
*Secretary.*  
*10<sup>th</sup> June 1976.*

*See*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 10TH JUNE 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Christopher Roderick Dow, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that initially the gilt-edged market had been quietly firm. It had been further strengthened by the news of the standby credit, and the announcement of the issue of a new long-dated tap stock had been well received, but a quieter tone had returned by the close of the period. Equities had also made a good recovery, but prices had fallen back later in inactive conditions. In the exchange markets, sterling had at first continued to fall, but there had then been some recovery in expectation of a policy move designed to bolster the pound. The announcement of the new facility had brought a very sharp improvement and volatile market conditions followed by some reaction as the position of the authorities was tested. Though appreciable support had been needed, a rather more encouraging market tone appeared to have developed by the end of the period.

CG

The Governor spoke to the Court about the dollar standby credit made available to the Bank and also outlined the points contained in the Chancellor of the Exchequer's recent statement.

The following were read and approved -

1. A Minute of the Charitable Appeals Committee on the granting of a donation.
3. A recommendation by the Deputy Governor on the opening of an account.

The Accounts of the Bank for the year ended the 29th February 1976 were examined, together with a recommendation by the Deputy Governor that the Accounts be approved and signed, and the Court agreed thereto.

On the Governor's invitation, Mr. Blunden informed the Court of developments in the negotiations on the 1976 Pay Settlement.

*H. Gough.*  
*Secretary.*  
*17 June, 1976.*

*Jan.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 17TH JUNE 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor  
George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Pforde, Esq.  
Hector Laing, Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that the domestic markets had been quiet and steady and had been little affected by the May Trade Figures. On the foreign exchanges, sterling had had an uneasy start, with appreciable probing by operators to test its strength requiring substantial support at times. After the weekend, however, a better market had developed, helped by a widening of forward margins and cost pressures on borrowers of sterling.

A letter from Messrs.Freshfields having been submitted together with a document to be sealed -

An Underlease to the North Western Electricity Board of a sub-station at Bank House, Manchester  
the Court approved thereof and

ORDERED

that the document in question be sealed with the Common Seal  
of the Bank.



The Economic Report for June and the current paper on "World Payments Trends" were introduced by the Governor, who invited Mr. Dow to speak: a discussion followed.

*H. G. J.*  
Secretary  
24<sup>th</sup> June 1976

*John of Bedford*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 24TH JUNE 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Hector Laing, Esq.

Lord Nelson of Stafford

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that, after a quiet start, a firmer trend had developed in gilt-edged stocks. The equity market had been very quiet and inactive and prices had drifted lower. In the foreign exchange markets, the pound had experienced a week of comparative stability. Turnover had been moderate and there appeared to have been no further increase in the build-up of speculative activity. However, at the close of the period, a flurry of selling had left sterling easier and support had been required.

A Statement of the forthcoming retirement of the Head of Computer Services, Administration Department, was laid before the Court. Arising therefrom, a Minute of the Committee of Treasury on Senior Appointments was read and approved.

Two further Minutes of the Committee of Treasury on the following subjects were read and approved -

1. The appointment of a Catering Adviser.
2. The opening of an account.

A Report of the Staff Committee on Banking Staff resignations was laid before the Court; a further Report on Efficiency and Economy suggestions was submitted and approved.

A Report of the Staff Committee on an increase in pensions and allowances was also submitted. The Court found the proposals for an enhancement of pensions and allowances generally acceptable but asked for further consideration to be given to the Staff Committee's suggestion that a statement of intent should be issued with the announcement of the award.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 17th June was laid before the Court.

With reference to Minutes of the 27th May, the Governor informed the Court that the Burmah Oil Company, Limited had been asked to indemnify the Bank against any loss which might be incurred in connection with the guaranteed loans outstanding after the sale of the Company's North American assets: and it was resolved as follows -

"Reference was made to a Deed of Indemnity to be entered into between The Governor and Company of the Bank of England and The Burmah Oil Company, Limited containing a counter-indemnity from The Burmah Oil Company, Limited in respect of the Bank's obligations under guarantees relating to certain loan agreements.

The Court ordered that, subject to the receipt of a letter from Messrs. Freshfields confirming the said Deed of Indemnity to be in a fit and proper form for sealing by the Bank and subject to the approval of the form of the said Deed of Indemnity

by The Governor or Deputy Governor or any Executive Director (which approval may be evidenced by the witnessing of the affixing of the Common Seal by The Governor or Deputy Governor or any Executive Director, as the case may be) the said Deed of Indemnity be sealed with the Common Seal of the Bank."

With reference to Minutes of the 10th June, on the Governor's invitation, Mr. Blunden informed the Court that the Staff Organisation had now accepted the terms of the 1976 Pay Offer.

*B. Blunden*  
Secretary  
1<sup>st</sup> July 1976

*Belun of Blunden*

A COURT OF DIRECTORS AT THE BANKON THURSDAY, THE 1ST JULY 1976Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Lord Greene of Harrow Weald, C.B.E.

Hector Laing, Esq.

Christopher William McMahon, Esq.

Lord Nelson of Stafford

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that, at the outset, the gilt-edged market had been steady but had then become quiet and inactive until midweek when there had been some switching into the long tap stock. Equities had again been very quiet and prices had drifted downwards in light trading; later, however, the market had strengthened in response to the improvement in sterling. On the foreign exchanges, widespread selling at the start of the period had driven the sterling rate down to its lowest point for two weeks and substantial support had been given. After the weekend, however, forward margins had widened further and the punitive cost of borrowing had induced a good demand for the pound.

Q

With reference to a Minute of the previous week concerning an increase in pensions and allowances, the Governor informed the Court of a discussion that day by the Committee of Treasury on the question of issuing any statement of intent with the announcement of the proposed award; and also regarding points arising from consultative discussions which had been held with the Staff Organisation. He said that it had been decided that the Staff Committee should be asked to examine these matters in depth and to submit recommendations in the following week.

A paper containing recommendations for a new Selective Early Retirement Scheme was submitted and approved.

The following were laid before the Court -

1. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 24th June.
2. A statement of forthcoming secondments.

Mr. de Rothschild was granted permission to join the Board of Finanzas Corporativas S.A.

*H. Forster*  
Secretary.  
8th July 1976.

*MZ*

*8/7/76*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH JULY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor

George Blunden, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Hector Laing, Esq.

Sir John Maurice Laing

Christopher William McMahon, Esq.

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that gilt-edged stocks had started the period firm and steady. However, following the publication of the Official Reserves figures for June, the market had eased and, at the close, it had been less active and barely steady. In the equity market, the firmness had continued, despite the announcement of the reserves figures; later, however, buying interest had faded and prices had fallen back. On the foreign exchanges, with dealers encouraged by growing expectations of public expenditure cuts, there had been a modest demand for the pound which had improved steadily over the week.

A Minute of the Committee of Treasury on the Annual Report and Accounts of the Bank was read and approved.

With reference to Minutes of the previous week and earlier concerning an increase in pensions and allowances, a further Report of the Staff Committee was submitted and approved, subject to the deletion of the word "sympathetically" from a statement of intent to be sent to those persons to whom the maximum increase would apply.

A Minute of the Charitable Appeals Committee on the granting of a donation was read and approved.

*H. Long*  
Secretary  
15<sup>th</sup> July 1976.

*Ida*



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH JULY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

Sir Robert Anthony Clark, D.S.C.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Hector Laing, Esq.

Sir John Maurice Laing

Christopher William McMahon, Esq.

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that the domestic markets had generally been quiet and inactive. Prices, which had eased slightly at the outset on the weaker exchange rate, had showed small changes in both directions over the period and had been little affected by the disappointing June Trade Figures. At the beginning of the period, sterling had declined from its recent peaks, following some continental selling. After the weekend, however, the pound had strengthened again somewhat and further commercial selling had been well absorbed.

A Minute of the Committee of Treasury on the opening of an Account was read and approved.

10

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The Quarterly Report of the Charitable Appeals Committee was submitted and approved.

A letter from Messrs.Freshfields having been submitted together with a document to be sealed -

A Deed of Variation (in triplicate) relating to a sub-tenancy at Bank House, Manchester the Court approved thereof and

ORDERED

that the document in question be sealed with the Common Seal of the Bank.

The Economic Report for July was introduced by the Governor who invited Mr.Dow to speak: a discussion followed.

*H. Long*

*Secretary*

*22<sup>nd</sup> July, 1976.*

*Mobem*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND JULY 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

Hector Laing, Esq.

Christopher William McMahon, Esq.

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

Sir Eric Roll, K.C.M.G., C.B.

Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Deputy Governor said that gilt-edged stocks had fluctuated over the week. After a quietly firm start, they had first turned easier; but a better tone had developed later in the period. Subsequently, the announcement of a rise in unemployment and fears of delays in public expenditure cuts had caused them to ease again, until finally some cheap buyers had arrested the decline. At the outset, the equity market had improved, but thereafter it had drifted downwards in light trading conditions. On the foreign exchanges, the French franc had been hit by a wave of selling, and sterling had been caught by the backwash of this. Some support had been required, but since the franc had steadied later in the period, there had been a progressive improvement in sterling.

A Report of the Staff Committee on the Chief of Establishments' Report on Manpower Review and Planning was laid before the Court.

13

With reference to Minutes of the 20th November 1975, a further Report of the Staff Committee on Housing Loan borrowing limits was submitted and approved, subject to the modification that the introduction of the agreed amendment should be backdated to the 1st December 1975.

The Quarterly Report and Annual Report of the Committee to consider the Securities of Certain Funds was also submitted and approved.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 15th July was laid before the Court.

Two letters from Messrs. Freshfields having been submitted together with two documents to be sealed -

A Deed of Amendment, in duplicate, to the Bank of England Pension Fund Trust Deed;

An Underlease to Manufacturers Hanover Trust Company of office space on the third floor at 36/39 Cheapside;

the Court approved thereof and

ORDERED

that the documents in question be sealed with the Common Seal of the Bank.

*H. G. ...*  
*Secretary.*  
*29<sup>th</sup> July, 1976.*

*den*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 29TH JULY 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
Hector Laing, Esq.  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that the gilt-edged market had showed little immediate response to the Chancellor of the Exchequer's Parliamentary statement, but had subsequently turned much easier after press comments and a weaker exchange rate. However, cheap buyers had appeared later and the market had ended the period looking quite firm. The Chancellor's proposals, coupled with the exchange reaction, had caused equities to decline, but with only modest selling. A steadier trend had then developed and equities had closed on a quiet and steady note. In the foreign exchange markets, the initial reaction to the statement had been neutral, if to some extent tinged with disappointment. Following the generally adverse week-end press comments, sterling had come under pressure. Since then, however, a better tone had emerged, aided by a weaker U.S.dollar and an improved French franc, and some commercial demand had reappeared.

65

It was reported that Sir Eric Roll had acted as Alternate at a meeting of the Committee on Permanent Control of Expenditure on the 22nd July.

A Report of the Committee on Permanent Control of Expenditure was submitted and approved.

The following were laid before the Court -

1. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 22nd July.
2. The Report and Accounts of the Bank of England Pension Fund for the year ended the 29th February 1976.

*H. G. ...*  
Secretary.  
5th August 1976.

*Deputy of Roffad.*

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A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 5TH AUGUST 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

Sir Robert Anthony Clark, D.S.C.

Lord Greene of Harrow Weald, C.B.E.

Hector Laing, Esq.

Christopher William McMahon, Esq.

Lord Nelson of Stafford

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt. Hon. Lord Robens of Woldingham

Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the Figures, the Deputy Governor said that the domestic markets had been quiet throughout the period. In light trading, prices had tended to drift downwards at the outset but after the weekend a slight improvement had begun and this had continued through the rest of the week. On the foreign exchanges, attention had been focussed mainly on the European joint float as large orders to buy deutschemarks, by way of diversification out of U.S. dollars, had brought considerable pressure on the other "snake" currencies. As a result, sterling had been on the side lines and had enjoyed a relatively quiet period.

A Minute of the Committee of Treasury recommending increases, with effect from the 1st July 1976, in the pensions and allowances in payment to former Governors and Executive Directors was read and approved.

The Quarterly Report of the Audit Committee was submitted and approved.

*R. H. Snodden*  
1st. Secretary 12th August 1976

*John G. Raphael*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 12TH AUGUST 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

Lord Greene of Harrow Weald, C.B.E.

Hector Laing, Esq.

Sir John Maurice Laing

Lord Nelson of Stafford

The Rt.Hon.Lord Robens of Woldingham

Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After commenting on the Figures, the Deputy Governor said that the domestic markets had continued quiet and that, despite a moderate set-back in mid period on fears of poor July trade figures, prices had recovered to show a modest improvement overall on the week. The Foreign Exchange markets had generally been less active and sterling had again traded fairly quietly although some selling pressure had developed at the end of the period, in anticipation, probably, of the publication of the July trade figures and on fears of a seamen's strike.

A Statement of Retirements and Secondments was laid before the Court.

The current paper on World Payments Trends was introduced by the Deputy Governor who invited Mr.Blunden to speak: a discussion followed.

*J. Laing*  
Secretary.

2<sup>nd</sup> September, 1976.

*Len*



A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 19TH AUGUST 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

Sir Robert Anthony Clark, D.S.C.

Lord Greene of Harrow Weald, C.B.E.

Sir John Maurice Laing

The number of Directors assembled being insufficient to form a Court, those present proceeded to the business, subject to ratification by the next Court.

The proceedings of the last Court were read.

After commenting on the Figures, the Deputy Governor said that the gilt-edged market had been easier at the outset ahead of, and on, the publication of the July Trade Figures; but had recovered well after the weekend and had shown a small improvement overall on the week. Equities had followed a somewhat similar pattern but without regaining in full the ground lost early in the week. On the foreign exchanges sterling had enjoyed a relatively quiet time, but the week had seen considerable activity in other leading currencies on renewed speculation on the future of the "snake".

On the proposal of the Deputy Governor, it was agreed that a donation of £2,000 be made to assist in the relief of suffering caused by the earthquake in The Philippines.

The Economic Report for August was introduced by the Deputy Governor who invited Mr. Blunden to speak: a discussion followed.

*Secretary*  
2nd September 1976

*See*

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 26TH AUGUST 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

John Standish Pforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Sir John Maurice Laing  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.

The number of Directors assembled being insufficient to form a Court, those present proceeded to the business subject to ratification by the next Court.

The proceedings of the last Meeting were read.

After commenting on the Figures, the Governor said that the gilt-edged market had been very quiet and depressed throughout the period, being influenced predominantly by the weakness of the exchanges and by the size of the latest increase in the money supply. The equity market, similarly, had weakened on fears of higher domestic interest rates and the prospect of a restricted working week in industry resulting from the drought: and the Financial Times index had fallen each day, closing the week at a new low for the year. On the foreign exchanges, sterling had remained quiet at the outset, but in mid week the "snake" had regained some stability and this, coupled with anxiety about the effects of the drought on industry and concern over the money supply figures, had led to sharp pressure necessitating substantial support. In the face of this, pressure had eased but there had been a progressive widening of the effective depreciation over the period.

A statement of forthcoming retirements was laid before the Court.

*John*  
*Secretary*  
*22 September 1976.*

*John*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 2ND SEPTEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.,  
Christopher William McMahon, Esq.  
The Rt.Hon.Lord Robens of Woldingham  
Lord Weir

The proceedings of the Court of the 12th August were read, and those of the Meetings of the 19th and 26th August were read and confirmed.

After commenting on the weekly Figures, the Governor said that, although still very thin, the gilt-edged market had been steadier and had been helped by the better tone of sterling. There had also been little business in equities which, after reaching a new low for the year, had then recovered somewhat. In the foreign exchange markets, following an uneasy start to the period, sentiment had improved for sterling, although the effective depreciation had shown no change over the week as a whole.

A statement of Fortincoming Retirements was laid before the Court.



[Redacted text block]

The Deputy Governor referred to the scheme for Banking Loans for House Purchase for Members of the Court rendering exclusive service and submitted a proposal that funds should also be available for lending to those eligible under that scheme, on similar terms as to amount, repayment and rate of interest and against appropriate security, for other approved purposes in addition to house purchase. This was approved; and it was agreed that a loan of up to £3,000 be made available to Mr.Fforde, for educational purposes, against the security of endowment assurance policies.

*K. J. [Signature]*  
Secretary.  
9<sup>th</sup> September 1976

*[Signature]*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 9TH SEPTEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that the domestic markets had experienced generally quiet conditions until the previous day when prices had fallen on the news of the seamen's strike, equities reaching another new low for the year. At the close of the week, sizeable selling of gilt-edged stocks had occurred on the decline in the exchange rate and there had been further falls in equity prices. On the foreign exchanges, conditions had also been quiet in the earlier part of the period. Then, due to a combination of adverse factors, in particular the increasing likelihood of a seamen's strike and the announcement of the second quarter's balance of payments figures, persistent selling of sterling had developed and substantial support had been required. The attack on sterling had later been intensified, with a consequent widening of the effective depreciation.

5

[Redacted text block]

*W. G. ...*  
Secretary  
16<sup>th</sup> September, 1976

*See*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 16TH SEPTEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the figures, the Governor said that a sharp increase in the Treasury Bill rate at the weekly tender had raised Minimum Lending Rate by 1½% to 13%. This move was in accordance with the Bank's wishes. Gilt-edged stocks had been weakened by the threat of a seamen's strike and the decline of sterling; and although the August Trade Figures had provided some relief, the market had continued to ease. Influenced by the same factors, equities had also experienced a poor week and the Financial Times index had fallen to a new low for the year. In the foreign exchange markets, a fresh burst of selling at the outset had pushed sterling below the \$1.77 level and, in the absence of official support, the rate had dropped very swiftly. The combination of the postponement of the seamen's strike and the increase in Minimum Lending Rate had halted this movement, but further selling later had depressed sterling again, prior to a modest recovery at the close of the period.

66

The Governor said that the aggregate reserve asset ratio of the banking system had risen to 15.1% in the banking month of August and it seemed unlikely that it had fallen in September. This was inconsistent with the Government's policy of monetary constraint. In consequence, with the approval of the Chancellor of the Exchequer, he proposed that a further call be made for Special Deposits of 1% of eligible liabilities on the 18th August 1976 from all banks (other than those in Northern Ireland) and from deposit-taking finance houses; the additional deposits to be made as to ½% on the 28th September and the remainder on the 6th October 1976. This was approved.

The following were read and approved -

1. A Minute on an Appointment recommended by the Governors.
2. A Minute of the Charitable Appeals Committee on the granting of a donation.

[REDACTED]

With reference to a Minute of the 11th December 1975, the Governor spoke about the annual report and accounts of Slater, Walker Securities Limited which had been published on the previous day. He underlined the problems with which the Bank had been faced on the abrupt resignation of the chairman of the Slater, Walker group and, in outlining support moves taken by the Bank, he emphasised that the primary objective had been to protect the Slater, Walker bank and particularly its depositors. It was likely that the Bank would suffer some loss in this operation. Though its extent could not be accurately assessed at this stage, the Governor recalled that a substantial provision for such a contingency had been made in the Bank's accounts for the year ended February 1976 and added that in the light of present information the provision did not appear to be inadequate.

*H. J. [Signature]*  
Secretary

*Len*

23<sup>rd</sup> September, 1976.



A COURT OF DIRECTORS AT THE BANKON THURSDAY, THE 23RD SEPTEMBER 1976Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
 Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
 George Adrian Hayhurst Cadbury, Esq.  
 John Martin Clay, Esq.  
 John Christopher Roderick Dow, Esq.  
 Lord Greene of Harrow Weald, C.B.E.  
 Hector Laing, Esq.  
 Sir John Maurice Laing  
 Christopher William McMahon, Esq.  
 Sir Eric Roll, K.C.M.G., C.B.  
 Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that at first gilt-edged stocks had drifted further downwards, the news of an increase in Special Deposits adding to the pressure on the market. The announcement of a new long-dated tap stock had had little immediate effect but, later, an improvement had developed and sales of stock had been extremely heavy, leading to the exhaustion of the short tap. Equities had followed a similar pattern over the week, hopes of a Rhodesian settlement having been a contributory factor in the recovery in prices. On the exchanges, there had been some demand for sterling at the outset, helped by the call for Special Deposits. After the weekend, however, against the background of adverse press comment and the publication of the latest money supply figures, selling of sterling had built up, with a consequent further widening of the effective depreciation.

A Report of the Staff Committee on Banking Staff resignations was laid before the Court.

10

Two further Reports of the Staff Committee on the following subjects were submitted and approved -

1. The payment of certain gratuities.
2. The Chief of Establishments' Annual Reports on Staff.

*H. Long*

Secretary.

30<sup>th</sup> September, 1976

*W. M. of Bedford*

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A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 30TH SEPTEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor

George Blunden, Esq.

Sir Robert Anthony Clark, D.S.C.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Pforde, Esq.

Hector Laing, Esq.

Sir John Maurice Laing

Lord Nelson of Stafford

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that, at the outset, the firmness of the gilt-edged market had been maintained, confidence having been boosted by the over-subscription of the new long-dated tap stock. However, renewed pressure on sterling after the weekend had caused a severe set-back. Although there had been some recovery following the announcement of the application to the International Monetary Fund for a further standby credit, the market had closed the period on a weak note. In the equity market, sentiment had been overshadowed by the depressed position of the pound and, with other factors adding to the uncertainty, the Financial Times index had fallen to a new 1976 low. Sterling's recent decline had continued unabated throughout most of the week, with an acceleration in the pace as it had been realised that official support had not been forthcoming on a substantial scale. The news of the intended approach to the Fund had brought immediate relief and at the close the markets had been calm. The Governor also described

CS

to the Court the mechanics applicable to a proposed borrowing from the International Monetary Fund.

On the invitation of the Governor, Mr. Blunden spoke about industrial democracy and explained that it was necessary for the Bank to formulate some views on the subject which would be submitted through the Treasury to the Civil Service Department. He reported that the Staff Organisation had already put forward a paper on employee participation. He said that the issue had been discussed the previous week by the Committee of Treasury who were of the opinion that the Bank should seek to ensure that the Court were exempted from worker participation and that a proposal to reactivate the Council of Directors and Staff, in some form, to act in a consultative capacity, was worth pursuing. He mentioned that the first meeting between the Staff Representatives and the Staff Committee had been held that morning and it had provided a worthwhile forum for a frank and informal exchange of views. The Court then considered a form of draft paper to the Treasury which set out the conclusions reached by the Committee of Treasury and also described the patterns which had developed in E.E.C. countries where worker participation - normally below board level - had reached a more advanced stage. The successful nature of the Staff Committee's informal meeting that day with Staff Representatives was widely commented upon, and in the light of that and of other comments made, it was left that suggestions for re-drafting certain passages in the paper should be passed to the Deputy Governor who would then send it to the Treasury.

With reference to Minutes of the 24th June and earlier, the Governor outlined the nature of revised support arrangements that had been made available to the Burmah Oil Company. He referred to the British Petroleum Ordinary Stock Units held by the Bank and said that it appeared likely that a writ would be served on the Bank by the company in the following week.

The Economic Report for September was introduced by the Governor who invited Mr. Dow to speak.

*H. Blunden*  
Secretary.

7<sup>th</sup> October, 1976

*Sen.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 7TH OCTOBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
The Rt.Hon.Lord Robens of Woldingham  
Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that the gilt-edged market had continued to be nervous, with the position of sterling a dominating factor. There had been a short-lived rally after the weekend, but the market had then turned easier again. Equities had followed a similar pattern; prices had continued their downward trend and the Financial Times index had fallen to its lowest level since August 1975. In thin trading in the foreign exchange markets, sterling had pursued a volatile course, influenced by a variety of factors. On the previous day, the announcement of British Leyland's ultimatum to their workforce had caused a sharp deterioration and the effective depreciation had moved to a new record level. Towards the close, however, on better industrial news, the pound had been a little firmer.

The Governor said that information now available for the month to mid-September indicated that the rate of monetary expansion had continued to exceed the guideline which had been established. The rise in interest rates, the call for Special Deposits and sales of gilt-edged securities after mid-September would have helped to moderate monetary growth and the upward trend in liquidity but these moves now required substantial reinforcement. Accordingly, with the approval of the Chancellor of the Exchequer, he proposed that there should be -

- (i) a special change in the Bank's Minimum Lending Rate from 13% to 15%;
- (ii) a further call for Special Deposits of 2% of eligible liabilities from all banks (other than those in Northern Ireland) and from deposit-taking finance houses; the additional Deposits to be made as to 1% on the 2nd November and the remainder on the 15th November 1976.

These measures were approved.

A Minute of the Charitable Appeals Committee on the granting of a donation was read and approved.

With reference to Minutes of the previous week and earlier, the Deputy Governor reported that a writ had been served on the Bank by the Burmah Oil Company, seeking the return of the holding of the British Petroleum Ordinary Stock Units bought by the Bank in January 1975. He spoke about the claim itself and the attitudes that had been adopted in the initial support operation for the company by the Bank and the Government.

*[Handwritten signature]*  
Secretary

14<sup>th</sup> October, 1976

*[Handwritten initials]*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 14TH OCTOBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

Sir Robert Anthony Clark, D.S.C.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

Hector Laing, Esq.

Sir John Maurice Laing

Christopher William McMahon, Esq.

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

The proceedings of the last Court were read.

After commenting on the weekly figures, the Governor said that prices in the gilt-edged market had been marked down sharply following the news of the Bank's moves. There had been little reaction to the announcement of the issue of two new tap stocks, but some distinctly good sales of gilt-edged stocks, especially of the 1979 tap, had subsequently developed. Anxieties, however, had later taken effect and the market had turned easier once more. Equities had again lost considerable ground and over the week the Financial Times index had fallen by 18½ points. On the foreign exchanges, after an initial favourable reaction to the Bank's measures, the pound had reverted to a declining trend, reflecting scepticism over the adequacy of the policy actions which had been taken. The figure of effective depreciation had decreased by about 1% on the measures, but by the close of the period it had moved back to a new record level again.

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The Deputy Governor informed the Court that, with the object of filling empty space at the Branches, it had been decided that certain exchange control work would be diverted to the Manchester and Birmingham Branches. These transfers, which would take some time to put into effect, would satisfactorily fill the vacant accommodation at both Branches.

At the Governor's invitation, Mr. McMahon spoke about the recent annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development which he had attended in Manila: a discussion followed.

*H. G. Jones*

*Secretary.*

*21<sup>st</sup> October 1976.*

*See*



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 21ST OCTOBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that the gilt-edged market had started the period easier, affected by the position of sterling and the opening of the lists for the two new tap stocks, with the September Trade Figures also an unfavourable factor. Subsequently, a good demand had developed for the new long tap, both before and after the weekend. Latterly, the market had been quiet, with short-dated stocks somewhat weakened by rumours of the possibility of higher interest rates. Equities had followed a similar pattern; after the weekend, the Financial Times index had risen by 14½ points but by the close this had fallen back to a net gain of 3½ points. At the outset, sterling had turned markedly weaker in anticipation of the Trade Figures; but a successful bear squeeze had then brought a sharp improvement. Following the weekend adjustments in the European joint float, the pound had been mainly steady in an active market.

15

The Quarterly Report of the Charitable Appeals Committee and a Minute on the granting of a donation were submitted and approved.

A letter from Messrs.Freshfields having been submitted together with a document to be sealed -

A Deed of Surrender relating to a lease of the 2nd and 3rd Floors at 1, Bell Yard (formerly the Law Courts Branch)

the Court approved thereof and

ORDERED

that the document in question be sealed with the Common Seal of the Bank.

On the Governor's invitation, Mr.Blunden informed the Court that the Bank side of the Joint Negotiating Council had rejected a claim by the Staff Organisation for the provision of cars for those members of the Administrative Staff who were willing to forego an appropriate amount of remuneration, on a scale based on the assessed benefit of cars as laid down in this year's Finance Act. He added that it was likely that the Staff Organisation would now seek arbitration on this issue. He also mentioned that the Staff Organisation had extended their sphere of operations by enrolling as members the whole group of Technical and Services Supervisory Staff.

*[Handwritten signature]*  
Secretary.

4<sup>th</sup> November 1916.

*[Handwritten initials]*

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 28TH OCTOBER 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.,  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Nelson of Stafford  
The Rt.Hon.Lord Robens of Woldingham

The number of Directors assembled being insufficient to form a Court, those present proceeded to the business, subject to ratification by the next Court.

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Deputy Governor said that the gilt-edged market had opened the period quietly and slightly easier ahead of the Chancellor's Mansion House speech; but prices had fallen sharply after the weekend, being affected by the position of sterling, and thereafter the market had continued weak and nervous. Equities had fallen consistently throughout the period, initially because the Chancellor's speech had been considered disappointing, and after the weekend because of the renewed pressures on sterling and rumours of possible conditions governing the I.M.F. loan. On the foreign exchanges sterling suffered its biggest ever recorded one-day fall following the Press report over the weekend that a \$1.50 exchange rate could be a condition of any further I.M.F. drawing by the U.K. There had been some later recovery but the pound had remained very vulnerable to anxieties and rumours and over the period the effective depreciation had widened from 45.3% to a worst ever 48.1%.

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A report of the Staff Committee on the Efficiency and Economy Suggestions Scheme was submitted and approved.

The following were laid before the Meeting -

1. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 21st October.
2. A statement of a forthcoming retirement.

*[Handwritten signature]*  
Secretary.

4<sup>th</sup> November 1976.

*[Handwritten initials]*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 4TH NOVEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the Court of the 21st October were read and those of the Meeting of the 28th October were read and confirmed.

After commenting on the weekly Figures, the Governor said that, following early nervousness due to fears of a possible rise in Minimum Lending Rate, the gilt-edged market had strengthened in line with sterling. The publication of the Official Reserves figures for October had caused short-dated stocks to hesitate, but the market had moved ahead again on news of the American Presidential Election results. By the close of the period there had been a further improvement and large sales of stock had

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exhausted both the long and the short taps. Despite some easing on the Tuesday, the equity market had also improved in general and over the week the Financial Times index had risen by 29 points. After a bad start on the foreign exchanges, when the effective depreciation of sterling had moved to a worst-ever level of 48.8%, there had been a sharp improvement on reports of a massive credit being negotiated to support the pound. This bubble had not lasted but after the weekend sterling had met a good demand in quieter markets.

With reference to Minutes of the 7th October concerning the further call for Special Deposits of 2% of eligible liabilities from all banks (other than those in Northern Ireland) and from deposit-taking finance houses, on a proposal of the Governor, the Court agreed to give the Governors discretion to vary the date of the second payment of 1% of the additional Deposits.

The Quarterly Report of the Audit Committee was submitted and approved.

A Report from Sir Maurice Laing and Mr. Clay on their visit to the Newcastle Branch was laid before the Court.

Figures showing the outturn of the Banking Department's Profit and Loss Account for the half-year ended the 31st August 1976 were also laid before the Court. The Deputy Governor mentioned in general terms the size of the provisions that might be required at the end of the financial year.

The Economic Report for October was introduced by the Governor who invited Mr. Dow to speak: a discussion followed.

*H. J. Gough*  
*Secretary*  
*11<sup>th</sup> November, 1976.*

*den.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 11TH NOVEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

Sir Robert Anthony Clark, D.S.C.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Hector Laing, Esq.

Christopher William McMahon, Esq.

Lord Nelson of Stafford

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

Sir Eric Roll, K.C.M.G., C.B.

The proceedings of the last Court were read.

After the Governor had commented on the weekly Figures, the Deputy Governor said that the firmer trend in the gilt-edged market had at first continued, assisted by the improved exchange rate and news of the exhaustion of both tap stocks. However, weekend press reports of an increase in the Public Sector Borrowing Requirement had brought a sharp reaction. Thereafter, there had been a recovery, particularly at the short end, and the market had moved ahead again as sterling had gained ground and as prospects of an early reduction in Minimum Lending Rate had become more likely. Equities had followed a rather similar pattern and had enjoyed a relatively good week, the Financial Times index having risen by 12½ points. In the foreign exchange markets, the improvement noted at the close of the previous period had continued in the early

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part of the week and there had been a substantial demand for the pound. Although the weekend press reports had caused some nervousness, a feeling had persisted that helpful policy measures would emerge from the I.M.F. consultations and sterling had recovered on a small demand.

Two letters from Messrs. Freshfields having been submitted together with two documents to be sealed -

An Underlease to Manufacturers Hanover Trust Company of sub-basement storage space at 36/39 Cheapside;

A Deed of Consent, in triplicate, in respect of certain Post Office equipment at the Newcastle Branch and Bank House;

the Court approved thereof and

ORDERED

that the documents in question be sealed with the Common Seal of the Bank.

The Governor reported the suspension of a junior member of the Banking Staff and said that it was proposed to dismiss the woman in question as a result of unsatisfactory conduct.

*H. G. ...*  
*Secretary*  
*18<sup>th</sup> November 1976.*

*See.*



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 18TH NOVEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
John Martin Clay, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Pforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After the Governor had commented on the weekly Figures, the Deputy Governor said that, after a nervous start ahead of the announcement of the October Trade Figures, the gilt-edged market had then become firmer. This tone had continued after the weekend and a considerable amount of stock had been sold. Following a quiet day, a fresh demand had developed for the medium-dated tap stock and before the close of the period official supplies had been exhausted. Equities had opened easier on the weakness of sterling and fears of industrial action, but had received the news of the Trade Figures favourably to improve before the weekend. These gains had been maintained and over the period the Financial Times index had recorded

6

a rise of 10 points. At the outset, sterling had been slightly weaker on the publication of the Retail Price Index for October but, with relief that the Trade Figures had not been worse, sentiment had then improved. On the Monday, the latest forecast from the Henley Centre had provided encouragement for the pound and a good demand had continued through the rest of the week.

The Governor said that banking figures for October indicated continuing rapid growth in lending to the private sector. Further monetary restraint was therefore necessary. Accordingly, with the approval of the Chancellor of the Exchequer, he proposed that the Supplementary Special Deposits scheme that had been suspended on the 28th February 1975 should be reintroduced immediately. This measure was approved. The Governor also mentioned that, at the same time, certain alterations would be made to the exchange control rules relating to the provision of sterling finance by banks in the United Kingdom. He added that this move should take the pressure off sterling and produce a reflux of foreign exchange to this country.

A Minute of the Committee of Treasury on the opening of an Account was read and approved.

The Quarterly Report of the Committee to Consider the Securities of Certain Funds was submitted and approved.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 11th November was laid before the Court.

*H. G. G. G.*  
Secretary.

25<sup>th</sup> November 1976.

*S. L.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 25TH NOVEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

Sir Robert Anthony Clark, D.S.C.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Hector Laing, Esq.

Sir John Maurice Laing

Christopher William McMahon, Esq.

Lord Nelson of Stafford

The Rt.Hon.Lord Robens of Woldingham

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that the measures announced on the previous Thursday had given a firm tone to the gilt-edged market and had produced a large demand for the long-dated tap stock. After the weekend, the weaker state of sterling had caused a decline, but subsequently the market had been quiet and steady. In contrast to gilt-edged stocks, equities had been set back by the measures; and fears of industrial action, as well as the position of sterling, had been unsettling factors. On the foreign exchanges, the pound had been subject to wide swings over the week, with the I.M.F. discussions, and reports on them, providing a background of continuing uncertainty. At the outset, the effective depreciation had narrowed from 45.1% but thereafter it had moved back, ending the period at 45.5%.

A Minute on the re-engagement of an Adviser, Grade I, on a short-term contract from the date of his retirement, recommended by the Governors, was read and approved.

The following were laid before the Court -

1. A Report of the Staff Committee on the Chief of Establishments' Review of Premises and the Technical and Services Staff.
2. A Report from Mr. de Rothschild on his visit to the Southampton Branch.
3. A statement of Forthcoming Retirements.

With reference to Minutes of the 30th September concerning revised support arrangements that were to be made available by the Bank to the Burmah Oil Company, and in particular the provision of a new guarantee of dollar borrowings, the Court resolved as follows -

"A letter from Messrs. Freshfields having been submitted together with a document to be sealed, being a Guarantee in connection with a Loan Agreement dated 24th November 1976 between Burmah Oil Trading Limited, the Banks therein named and [redacted] as agent for such Banks, the Court approved thereof and ordered that the document in question be sealed with the Common Seal of the Bank."

In that connection, a letter from Messrs. Freshfields having been submitted with two further documents, in duplicate, to be sealed -

A Deed of Indemnity in respect of obligations to be assumed under the guarantee;

A Deed of Charge granting fixed and floating charges over certain assets to secure obligations under the indemnity;

the Court approved thereof and

ORDERED

that the documents in question be sealed with the Common Seal of the Bank.

On the invitation of the Governor, Mr. Blunden informed the Court of the suspension of a junior member of the Banking Staff [redacted].

*W. Blunden*  
*Secretary.*

*2<sup>nd</sup> December, 1976*

*See*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 2ND DECEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
John Standish Fforde, Esq.  
Hector Laing, Esq.  
Sir John Maurice Laing  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the Figures, the Governor said that the gilt-edged market had been steady in light trading throughout the week, awaiting developments from the I.M.F. discussions. Equities had moved narrowly and over the period the Financial Times index had risen by 2½ points. In the foreign exchange markets, the level of trading had been somewhat subdued in spite of the varied rumours and reports on the progress and likely outcome of the I.M.F. negotiations. Following a statement by the Chancellor on the Tuesday, however, there had been a good demand for the pound and it had closed the period on a high note.

A Minute of the Committee of Treasury on the making of a donation was read and approved.



A Report of the Committee on Permanent Control of Expenditure was submitted and approved.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal approved by a Resolution and ordered on the 25th November was laid before the Court.

With reference to a Minute of the previous week concerning the suspension of a member of the staff [redacted] [redacted], Mr. Blunden reported that, after medical reports and family circumstances had been taken into consideration, it was recommended that the woman in question should be asked to resign from the Service forthwith. The Court approved the proposed course of action.

The Economic Report for November was introduced by the Governor who invited Mr. Dow to speak: a discussion followed.

Lord Weir was granted permission to join the Board of B.I.C.C. Limited.

*John*  
*Secretary.*  
*9<sup>th</sup> December 1976*

*Jan*

A COURT OF DIRECTORS AT THE BANKON THURSDAY, THE 9TH DECEMBER 1976Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
 Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

Sir Robert Anthony Clark, D.S.C.  
 John Christopher Roderick Dow, Esq.  
 John Standish Fforde, Esq.  
 Hector Laing, Esq.  
 Christopher William McMahon, Esq.  
 Lord Nelson of Stafford  
 Sir Lionel Alexander Bethune Pilkington, F.R.S.  
 The Rt.Hon.Lord Robens of Woldingham  
 Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that in the gilt-edged market, after a quiet start, there had been a large demand for the long-dated tap stock, supplies of which had become exhausted. Since then, the market had continued to be firm, and further sales of stock had been possible. Equities had advanced steadily, although turnover had remained relatively low, and the Financial Times index had risen by 23½ points over the week. On the foreign exchanges, although steady at the outset, the pound had subsequently lost ground alongside a weakening dollar. On the Tuesday, however, after the Chancellor's optimistic references to an I.M.F. package and support for the sterling balances, the pound had been bid up sharply and had remained firm thereafter.

With reference to Minutes of the 4th November concerning the second payment of 1½ of Special Deposits



due to be made on the 14th December under the recent further call, the Governor proposed that, in view of the present stringency in the money market due to heavy sales of gilt-edged stocks and also of prospective subscriptions for the new long-dated tap stock, the Court should give the Governors discretion either to postpone or to rescind the aforementioned payment. This was approved.

A Minute of the Charitable Appeals Committee on the making of a donation was read and approved.

The Governor outlined to the Court the arrangements for the acquisition of Wallace Brothers & Co. (Holdings) Limited by the Standard Bank Limited. He mentioned the part being played by the Bank in this operation and said that, at a later stage, it would be necessary to seek the Court's authority for the sealing of an Acquisition Agreement and also a Deed of Indemnity. In the meantime, the Court gave their general approval to the arrangements.

The Governor spoke to the Court about the Report on the Bank of England from the Select Committee on Nationalised Industries, which had been published the previous day.

*H. G. ...*

*Secretary.*

*16<sup>th</sup> December 1976.*

*Lee*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 16TH DECEMBER 1976

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.  
George Adrian Hayhurst Cadbury, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Lord Greene of Harrow Weald, C.B.E.  
Hector Laing, Esq.  
Christopher William McMahon, Esq.  
Lord Nelson of Stafford  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
The Rt.Hon.Lord Robens of Woldingham  
Sir Eric Roll, K.C.M.G., C.B.  
Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Governor said that, at the outset, the gilt-edged market had been quietly firm. After the weekend, the firmness had spread throughout the list and considerable sales of tap stocks had exhausted official supplies of 3% Treasury 1982. The publication of the November Trade Figures had caused a limited decline but selling had been modest. The market had then become firm again ahead of the Chancellor's statement, on which prices had eased in disappointment. Equities had been easier at the start



of the period but had recovered before the weekend. The market had moved back on the announcement of the Trade Figures and the downward trend had continued thereafter. On the exchanges, after a steady start, a strong demand for sterling had built up. There had been a moderate setback on news of the Trade Figures but the pound had recovered by the time of the Chancellor's statement. The initial reaction to the measures had been one of disappointment but selling had not been heavy.

The Governor spoke to the Court in general terms about the measures announced by the Chancellor of the Exchequer the previous day: and a discussion followed. He also introduced the assessment from the economic commentary in the December edition of the Quarterly Bulletin and invited Mr. Dow to speak.

*W. C. Lloyd*  
*Secretary.*

*23<sup>rd</sup> December, 1976.*

*W. C. Lloyd*  

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A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 23RD DECEMBER 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

Christopher William McMahon, Esq.

Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Rt.Hon.Lord Robens of Woldingham

Lord Weir

The proceedings of the last Court were read.

After commenting on the weekly Figures, the Deputy Governor said that, after a cool initial reaction to the Chancellor's package, the steadiness of sterling and more encouraging news of the oil price rise had revived the gilt-edged market; and after the weekend a considerable demand for the long-dated tap stock had led to the exhaustion of official supplies. Since then, the market had continued to be active and a large amount of stock had been sold. Despite unfavourable press comment on the measures, the equity market had soon improved. Profit taking after the weekend had caused slight falls but towards the close of the period a firmer trend had returned. After the exchange market's initial disappointment at the Chancellor's statement, sentiment had been helped by a more general acceptance of the measures, together with hopes of a successful outcome to the talks in Paris on possible support for the sterling balances. These factors had induced a good demand for the pound and the effective depreciation had

D improved gradually thereafter.

R.H.

The following were laid before the Court:-

1. A Report of the Staff Committee on Banking Staff resignations.
2. A statement of Secondments and a Resignation.

With reference to a Minute of the 30th September concerning a discussion on industrial democracy, the Deputy Governor said that, with a view to involving the staff, and their representatives, more closely in appropriate administrative functions, it was now proposed to invite the Staff Organisation to participate in a joint study group. The Court were in favour of this initiative and approved the suggested terms of reference, subject to an amendment, and also the membership of the group.

The Deputy Governor said that in the furtherance of a recent informal discussion on the proceedings of the Court, Mr. Blunden would be talking to Directors individually in order to gather suggestions and, where practicable, to develop proposals.

The Deputy Governor also acquainted the Court of a second report by the working party to investigate the possibility of removing the Accountant's Department out of London. He said that the second review had indicated that net savings after a relatively short period of time could be expected to result from a move to a new location within 25 miles of London. Accordingly, further investigations would now be undertaken, focussing on identifiable sites.

The current paper on World Payment Trends was introduced by the Deputy Governor who invited Mr. Dow to speak: a discussion followed.

*P. Honocher*  
*Asst. Secretary*  
*6th January 1977*

*Jan*

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 30TH DECEMBER 1976

Present

Sir Jasper Quintus Hollom, K.B.E., Deputy Governor

George Blunden, Esq.

George Adrian Hayhurst Cadbury, Esq.

Sir Robert Anthony Clark, D.S.C.

John Martin Clay, Esq.

John Standish Fforde, Esq.

The number of Directors assembled being insufficient to form a Court, those present proceeded to the business, subject to ratification by the next Court.

The proceedings of the last Court were read.

After commenting on the Figures, the Deputy Governor said that, in relatively quiet trading, the gilt-edged market had remained steady. There had been a moderate demand for the short-dated tap stock and by the end of the week the undertone had become firm. Equities had drifted before the holiday recess but had then improved on the Wednesday, the Financial Times index having risen by 3½ points over the period. On the foreign exchanges, conditions had also been quiet. Under the influence of end-year considerations, the continuing tightness in the domestic money market and a move out of dollars into continental currencies, sterling had been in good demand and the effective depreciation had improved to 44.1%.

The Quarterly Analysis of Bank Advances was laid before the Meeting.

*P. Fforde*  
*Asst. Secretary*  
*6<sup>th</sup> January 1977*

*See.*

