



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 6TH JANUARY 1977

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.
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.
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 23rd December 1976 were read and those of the Meeting of the 30th December 1976 were read and confirmed.

After commenting on the weekly Figures, the Governor said that the gilt-edged market had been quiet and rather thin before the weekend, but subsequently there had been considerable demand for the short-dated tap stock, supplies of which had become exhausted. Medium and long-dated stocks had also come into demand, with the new long-dated tap stock ending at a premium and prices generally showing an improvement on the week. In the equity market the undertone had been very firm and the

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Financial Times Index had risen by 15½ points. On the foreign exchanges sterling had been in heavy demand, probably reflecting some commercial demand, some end-year levelling of positions taken earlier against sterling and, perhaps particularly, unwinding of leads and lags. At the end of the period, with the dollar gaining ground everywhere, sterling had fallen back from its best levels and the effective depreciation over the period had moved only narrowly between 44.2% and 43.9%.

A Report from Mr.Fforde and Mr.Laing on their visit to the Manchester Branch was laid before the Court.

With reference to a Minute of the 8th January 1976, the Deputy Governor informed the Court of the progress on the planning of the extension to the Southampton Branch, the main purpose of which was to provide improved security and note handling arrangements. The Building Design Partnership had been appointed as Architects and, following their appraisal of the project, they had estimated the cost to be approximately £840,000 inclusive of fees. It was agreed that the project should go ahead on that basis and that the Committee on Bank Premises should examine the plans and estimates and monitor further progress.

H. Forde
Secretary

13th January, 1977.

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 13TH JANUARY 1977

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 Christopher Roderick Dow, Esq.
John Standish Pforde, 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, 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 there had been substantial sales of gilt-edged stocks in the first three days of the period, resulting in the exhaustion of official supplies of the long-dated tap stock. The market had continued to be active until the Tuesday, when the turn in the exchange market had produced a reaction and sizeable profit taking. Equities had also been affected by profit taking and over the week the Financial Times index had fallen by five points. On the exchanges, sterling had been firm at the outset and by the opening on the Tuesday the effective depreciation had improved to 42.6%. Later that day, however, after official action to restrain too buoyant a rate had become apparent, there had been a sharp reaction and it had been necessary to move to steady the

rate in the opposite sense. Since then, the effective depreciation had remained at about 43.5%.

The Governor said that official sales of gilt-edged securities, including the full subscription of that day's new issue of 12½% Exchequer Stock 1981, had recently been exceptionally large. These sales, together with a Government revenue surplus arising from payment of taxes, had caused money market conditions and pressure on the reserve asset position of the banking system of exceptional stringency, beyond the requirements of the present strict monetary policy. Accordingly, solely as a technical measure of money market management designed to moderate this exceptional degree of stringency, and with the approval of the Chancellor of the Exchequer, he proposed that there should be a release and cancellation of Special Deposits, as follows -

- (i) The repayment of the equivalent of 2% of eligible liabilities to be made on the 17th January 1977 to all banks (other than those in Northern Ireland) and to deposit-taking finance houses.
- (ii) The cancellation of the call equivalent to 1% of eligible liabilities payable on the 28th January 1977.

This was approved.

The Governor also spoke to the Court about the recently announced medium-term financing facility in the amount of \$3 billion related to the United Kingdom's official sterling balances: and a discussion followed.

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

A Minute of the Charitable Appeals Committee on the making of two donations was also submitted. One recommendation was approved, and the other had been referred back to the Charitable Appeals Committee by the Committee of Treasury.

Letters from Messrs.Freshfields and Messrs.Slaughter and May having been submitted together



with two documents to be sealed -

A Deed of Indemnity, in duplicate, in favour of
the Standard Bank Limited in connection with their
acquisition of Wallace Brothers & Company (Holdings)
Limited;

A Supplemental Deed relating to the restructuring
of certain indebtedness to the support group
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.

H. J. Pugh
Secretary

20th January 1977.

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 20TH JANUARY 1977

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, 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 been strong, encouraged by the oversubscription of the new short-dated tap stock, the release of Special Deposits and also the December Trade Figures. The issue of the new big long-dated tap stock had only slightly dampened the market, which had ended the period on a steady note. Equities had been active at the outset, but had become quieter ahead of the weekend. Helped by the Trade Figures, prices had thereafter advanced again, although towards the close there had been some profit-taking. Over the week, the Financial Times index had risen by 24 points. In the

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foreign exchange markets, sterling had been in strong demand until that morning, when there had been a short bout of selling, taking the level of effective depreciation back to 42.9%. The demand had been largely commercial (but had no doubt included some unwinding of leads and lags), together with some inflow on interest rate considerations.

The following were laid before the Court -

1. A Report from Lord Weir on his visit to the Birmingham Branch.
2. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 13th January.

The Governor informed the Court that the Committee of Treasury had examined the question of the negotiating latitude to be granted to the Bank side of the Joint Negotiating Council and explained that the conclusion that it had reached implied, in effect, that the Committee of Treasury would take over the role formerly allotted to the Steering Committee. He therefore recommended that, in the circumstances, the Steering Committee should be dissolved: this was approved.

The Deputy Governor reported on the rundown of the Ionian Bank, which would lead to its closure, and the Bank's agreement to provide a standby line of credit, to assist in this operation. He added that, as the facility was secured, the Bank should not suffer a loss.

On the Governor's invitation, Mr. Blunden spoke to the Court about the Arbitrator's award on the issue of the provision of cars for Administrative Staff.

H. G. G. G.
Secretary.
27th January, 1911.

John

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 27TH JANUARY 1977

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor
Sir Jasper Quintus Hollow, 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.
Hector Laing, 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 a sharp fall in the Treasury Bill rate at the weekly tender had brought Minimum Lending Rate down by $\frac{1}{4}\%$ to $13\frac{1}{4}\%$. The gilt-edged market had again been firm, apart from a pause after the weekend, the principal factors having been the fall in Minimum Lending Rate, the reduction in bank base rates and growing expectations of a further decrease in Minimum Lending Rate this week. Equities had been quietly firm at the start of the period but had been marked down after the weekend. Buying interest had then reappeared and had brought the Financial Times index back to its starting point. Some uncertainty on the exchanges at the beginning of the week, and the fall in Minimum Lending Rate, had widened the effective depreciation to 42.9%. But a strong demand had re-emerged thereafter and the level of effective depreciation had improved to 42.5%.

R.H.

The Governor described to the Court the situation in the money market, where the Government revenue surplus had continued at a higher level than expected and official sales of gilt-edged stocks had again been large. In consequence, despite official purchases of foreign exchange, market conditions and pressure on the reserve asset situation of the banking system had again become exceptionally stringent. Accordingly, the Governor proposed, with the approval of the Chancellor of the Exchequer, a release and recall of Special Deposits: the repayment to be the equivalent of 1% of eligible liabilities and to be made on the 31st 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 March. This was approved. The Governor mentioned that it was expected that the pressure on reserve assets might ease after the revenue season; and he explained that the dual operation was thus a technical smoothing measure intended to help the Bank's management of the money market and short-term interest rates.

A Report of the Staff Committee on the Chief of Establishments' Review of General Staff Administration and Training was laid before the Court; a further Report on the delegation of authority to dismiss staff was submitted and approved.

A Report of the Committee on Bank Premises recommending the appointment of main contractors for the new Glasgow Office and approval of the total cost was also submitted and approved.

Lord Greene was granted permission to become a Trustee of the Parliamentary Industrial Trust.

With reference to a Minute of the 13th January, the Governor introduced a paper that had been prepared for the information of Directors on the subject of the sterling balances and the new financing facility: and a discussion followed.

D. H. Crocker
Asst. Secretary
3.2.77

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A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 3RD FEBRUARY 1977

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.

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, 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, despite efforts to restrain the movement, the average Treasury Bill rate had fallen at the weekly tender to 11.74%, thus bringing Minimum Lending Rate down by 1% to 12½%. The gilt-edged market had continued very firm, apart from some profit-taking and hesitation following the reduction in Minimum Lending Rate, and over the week prices had improved throughout the list. Equities had been encouraged by the development of interest rates and some profit-taking after the weekend had soon been absorbed. On the week the Financial Times index had risen 24½ points to 406. On the foreign exchanges, there had been some uncertainty at first, reflecting profit-taking and a reaction to the sharp fall

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in Minimum Lending Rate, but demand had revived after the weekend and exchange had continued to flow in. The effective depreciation of sterling had moved out initially from 42.5% to 42.8% but ended the period at 42.7%.

The Governor referred to the significant fall in recent weeks in short-term interest rates and particularly last week's reduction in Minimum Lending Rate, which had been brought about by market forces. He said that present indications were that these market forces could, at tomorrow's tender, bring about a further fall in Minimum Lending Rate which would be inappropriately large. Accordingly, with the approval of the Chancellor of the Exchequer, he proposed that a special change be made in the Bank's Minimum Lending Rate from 12½% to 12%: and this was approved. The Governor then went on to speak in general terms of some of the problems associated with the present procedures for determining the Bank's Lending Rate.

Arising from the Annual Review of Staff -

1. A Minute on Appointments and a Minute on gratuities to members of the Printing Works staff, recommended by the Governors, were read and approved.
2. A Report of the Staff Committee on gratuities to members of the Banking and Technical & Services staffs was submitted and approved.

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

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

H. G. ...

Secretary

10th February, 1977.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 10TH FEBRUARY 1977

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 Christopher Roderick Dow, Esq.
John Standish Fforde, Esq.
Hector Laing, Esq.
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 the gilt-edged market had ebbed and flowed, having been set back by the change in Minimum Lending Rate before the weekend and, later, by the announcement of the rise in the wholesale price index in January. Over the period, however, prices of gilt-edged stocks had improved throughout the list and at the close the market had been steady. Equities had also been set back by the same factors: but, by contrast, the market had been appreciably easier over the week, with the Financial Times index falling by 18½ points. In the foreign exchange markets, the demand for sterling had been more restrained and there had been some selling following the special change in Minimum Lending Rate and, later, on the news of the rise in the wholesale price index. On the Wednesday, however, a strong demand had reappeared and this had continued to the close of the period.



The following were submitted -

1. A press release relating to the clearing banks' balances as at the 19th January.
2. A statement of a forthcoming secondment.

H. G. ...
Secretary.
17th January, 1977.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 17TH FEBRUARY 1977

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 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, after a good start, the gilt-edged market had been adversely affected by fears of growing pressure for a return to free wage bargaining and, after the weekend, by the exchange rate weakness and the announcement of the disappointing January Trade Figures. Sharp price falls had flowed from these factors but there had been a recovery on the Tuesday and Wednesday, although the market had become easier again by the close of the period. Similar factors had weighed on the equity market at first but a subsequent rally had cut the fall in the Financial Times index to 2½ points on the week. On the

exchanges, the fragility of the regained confidence in sterling had been demonstrated at the outset, sentiment being soured by increasing union opposition to a continuance of pay restraint. Selling had been intensified after the weekend and, despite substantial official support, the pound had fallen back; and it had suffered a further sharp decline following publication of the Trade Figures. However, on the Tuesday, with the cost of funding short positions rising rapidly, bear covering had brought a gradual recovery; and steadier conditions had prevailed thereafter.

A Minute of the Committee of Treasury on the provision for Special Remuneration and Court Pensions was read and approved.

Arising from the Annual Review of Staff, a Minute on a Gratuity, recommended by the Governors, was also read; but it was agreed that the proposal should be withdrawn so that consideration could be given to the alternative of paying the sum in question subsequent to the recipient's forthcoming retirement, in order to avoid liability to tax in his hands.

With reference to a Minute of the 23rd December 1976 concerning the possibility of removing the Accountant's Department out of London, the Deputy Governor said that, in order to facilitate the investigations, it would now be desirable to commission an architectural feasibility study. Accordingly, it was proposed to appoint the Building Design Partnership for this purpose. This was approved.

At the Governor's invitation, Mr. Blunden informed the Court of strike action taken by a group of staff at the Printing Works which had brought note production, as well as certain other activities, to a standstill.

John Blunden
Secretary

24th February, 1977.

Mr. 24/2/77

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 24TH FEBRUARY 1977

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 Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fford, Esq.

Hector Laing, Esq.

Sir John Maurice Laing

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 Deputy Governor said that the gilt-edged market had opened the period easier, but had recovered on news of a further reduction in banks' base rates and encouraging money supply figures. Prices had then remained firm in quiet trading, in spite of the announcement of the sharp rise in retail prices in January. After the weekend, the market had been set back by news of labour troubles; but on the Tuesday there had been improved buying interest, which had subsequently spread to long dated stocks. Equities had followed a similar pattern. Activity had been stimulated by the further fall in base rates and, following an increase in demand later in the period, the Financial Times index had closed nearly 17 points up on the week. In the

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foreign exchange markets, there had been a more stable picture, with sterling firm and steady despite the increase in retail prices and the strike at British Leyland. The effective depreciation had improved to 43.1% by the end of the period.

Arising from the Annual Review of Staff -

1. A Minute of the Committee of Treasury on awards of Personal Pensionable Salary was read and approved.
2. With reference to a Minute of the previous week relating to the award of a Gratuity, recommended by the Governors, it was decided that the proposal should not be proceeded with at the present time.

A Report of the Staff Committee on the implications of the Social Security Pensions Act was submitted and approved.

The following were laid before the Court -

1. A Report from Lord Nelson and Sir Robert Clark on their visit to the Leeds Branch.
2. A statement of Accounts of the Bank Provident Society for the year ended the 30th November 1976.

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

A Supplemental Underlease to Roux Restaurants Limited of a sub-basement store room at New Change

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, it was reported that the strike by a group of staff at the Printing Works had collapsed, without any concession having been made on the part of management.

At the Deputy Governor's invitation, Mr. Blunden informed the Court that the Certification Officer had rejected the Bank of England Staff Organisation's application for a Certificate of Independence.

bc fough
Secretary
3-4 March, 1977

J. G.

COURT OF DIRECTORSFor the year ending the 28th February 1978

<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
		Sir John Maurice Laing
		The Rt.Hon.Lord Robens of Woldingham
		Leopold David de Rothschild, Esq.
		George Adrian Hayhurst Cadbury, Esq.,
		John Standish Fforde, Esq.
		Lord Greene of Harrow Weald, C.B.E.
Deputy Governor	1.3.77	†Christopher William McMahon, Esq.
		Lord Weir
		John Martin Clay, Esq.
Deputy Governor	28.2.77	†John Christopher Roderick Dow, Esq.
		Hector Laing, Esq.
		Sir Lionel Alexander Bethune Pilkington, F.R.S.
		George Blunden, Esq.
Deputy Governor	10.3.77	†Sir Robert Anthony Clark, D.S.C.

† Reappointed 1st March 1977

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 3RD MARCH 1977

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.
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 Figures, the Governor said that gilt-edged stocks had, in general, been quiet and calm. Renewed hopes of a reduction in the Minimum Lending Rate at the end of the week had encouraged the market, as had also the publication of the Official Reserves figures for February. Over the period, prices had shown gains throughout the list. The equity market had experienced a rather similar pattern; but latterly it had been dampened by fears over the dispute at British Leyland and by disappointment at some company results. Overall, the Financial Times index had improved by 11½ points. A generally firm pound had been a feature of the exchange markets, despite the deteriorating situation at British Leyland. A sudden surge of demand on the Monday had taken the rate through the \$1.71 point but the announcement of the Official Reserves figures later in the week had made little impact.

CG

It was reported that Mr. Clay had acted as Alternate at a Meeting of the Debden Committee that morning.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 24th February was laid before the Court.

A letter from Messrs. McGrigor, Donald & Co. having been submitted together with thirteen documents to be sealed -

The Building Contract, priced Bills of Quantities and eleven Contract Drawings relating to the new Glasgow Office

the Court approved thereof and

ORDERED

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

A Minute of the Committee of Treasury on the re-appointment and remuneration of Executive Directors was read and approved.

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.

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

With reference to a Minute of the 3rd February, the Governor again spoke of the problems associated with the present procedure for determining the Bank's Lending Rate. He drew attention to the fundamental choice between a procedure such as that currently in use, which was broadly market-determined, and the previous arrangement of Bank Rate, which was an administered system. The options were now to be discussed with Ministers. For their part, the Bank had a preference for an administered system, although it was recognised that political reluctance to agree to move the Rate could result in a loss of flexibility.

H. Young
Secretary.
10th March 1947.

J. Lee

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 10TH MARCH 1977

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.
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

The proceedings of the last Court were read.

The Deputy Governor commented on the weekly figures and the state of the markets.

The Governor referred to the fall in the general level of short-term interest rates which, but for the suspension of the normal formula for determining Minimum Lending Rate, would have produced a Rate of 11½% at last week's tender. He also spoke of the firmness of both the gilt-edged market and the sterling exchange rate, and of the indications that the money supply was under control. Accordingly, with the approval of the Chancellor of the Exchequer, he proposed that a special change be made in the Bank's Minimum Lending Rate from 12% to 11½%: and this was approved. The Governor then mentioned the recent discussion with Ministers on the

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choice of procedures for determining the Bank's Lending Rate and said that, with political considerations weighing in the balance, it had been decided that a market-determined arrangement was the preferable alternative. The system of Minimum Lending Rate would therefore continue to operate, although the present Rate of 11% would remain an administered one until the market related formula was re-engaged.

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
MR.de ROTHSCHILD
MR.CADBURY

A Minute of the Committee of Treasury on the appointment of Standing Committees, etc., for the ensuing year was read and approved.

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 3rd March.
2. A statement of forthcoming retirements.

The Deputy Governor informed the Court of proposals for the setting up of two new wholly-owned subsidiary companies by the Bank; and accordingly it was resolved that the undermentioned companies be established -

1. BANK OF ENGLAND NOMINEES LIMITED, to act as a nominee company for shareholdings exempted from disclosure under the terms of Section 27(9) of the Companies Act 1976.
2. B.E.SERVICES LIMITED, to provide the Bank's catering services in the City.



The Deputy Governor reported that the Committee of Treasury had considered the question of whether the Bank should respond to the Rumanian earthquake disaster and had recommended that a donation should not be made. The Court agreed.

W. G. J. G.
Secretary.

17th March 1911.

Len.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 17TH MARCH 1977

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 Pforde, Esq.
Hector Laing, Esq.
Sir John Maurice Laing
Lord Weir

The Governor referred to the recent discussions with Directors about Court proceedings and welcomed the constructive suggestions that had been made. He said he accepted that more time should be given to substantive discussion and less to detailed reporting, and he described the ways in which such an approach would be developed. He also spoke of other prospective changes in arrangements and mentioned that he proposed to ask each non-Executive Director in future to undertake two office visits a year.

In conformity with the new procedure which had been outlined by the Governor, the Minutes of the last Court, copies of which had been placed in folders, were approved.

The Governor commented on the weekly Figures and the state of the markets. With reference to a Minute of the previous week, the Governor reported that, as a



result of the outcome of last week's Treasury Bill tender, the formula for determining Minimum Lending Rate had become operative once more. It had, however, been decided, with the approval of the Chancellor of the Exchequer, to modify the arrangements in one respect. For the future, in cases where the normal operation of the formula would bring about a reduction in Minimum Lending Rate, the Bank reserved the right, exceptionally, either not to change the Rate or to change the Rate by less than would result from the operation of the formula.

The Governor introduced the Assessment from the economic commentary in the March edition of the Quarterly Bulletin and invited Mr. Dow to speak: a discussion followed.

A Report of the Staff Committee on the Educational Loan Scheme was submitted and approved.

A statement of a forthcoming secondment was laid before the Court.

The Governor said that it was proposed that the Bank, as one of the bodies which enjoyed the privilege of presenting Loyal Addresses to the reigning Monarch, should submit an Address on the occasion of the Queen's Silver Jubilee. A draft form of Loyal Address, recommended by the Committee of Treasury, was submitted and its terms were approved.

Mr. de Rothschild was granted permission to join the Board of Comind Interconsult S/C Limitada.

H. G. G. G.
Secretary.
24th March 1977.

Len.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 24TH MARCH 1977

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 Pforde, 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, F.R.S.
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets. With reference to a Minute of the previous week concerning the modification of the arrangements governing Minimum Lending Rate, the Governor reported that, following the outcome of the previous week's Treasury Bill tender, it had been decided, with the approval of the Chancellor of the Exchequer, to reduce the Rate to 10½%, rather than to allow the operation of the formula to reduce it to 10%. He also spoke about the recently announced issue of Government Stock.

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A Minute of the Committee of Treasury on senior appointments was read and approved.

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

The following were laid before the Court -

1. A Report of the Staff Committee on Banking Staff wastage.
2. A statement of Forthcoming Retirements.

Belton

Secretary

31st March 1917.

Belton of Bedford.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 31ST MARCH 1977

Present

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 Pforde, 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
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets. With reference to a Minute of the previous week, he referred to the recent disengagement of the formula by which Minimum Lending Rate was usually calculated. He said that it was desirable on general grounds that the normal method of determining the Rate should be reactivated, even though a fall in the Rate much below the level presently indicated by Treasury Bills could not be accommodated without running some risk of undermining the current strength of sterling's exchange rate. It was moreover appropriate that a reduction in the Rate should now be made in recognition of the recent decline in the general level of short-term market rates of interest. Accordingly, and with the

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approval of the Chancellor of the Exchequer, he proposed that a special change be made in the Bank's Minimum Lending Rate from 10½% to 9½%: and this was approved. The Deputy Governor commented that it was hoped that this move would lead to tendering for Treasury Bills by the market at a price which would result in the re-engagement of the formula at 9½%.

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

The Deputy Governor spoke to the Court about the estimated operating profit of the Banking Department for the year ended the 28th February 1977. He explained that as the provisions for losses were still liable to adjustment and particularly as the formal response to the Select Committee's recommendation that the Bank should seek to reinforce their reserves had not yet been agreed, the Treasury had proposed that the Bank should not make an interim dividend payment, normally due on the 5th April. In the circumstances, it seemed sensible to accede to this suggestion, which had been endorsed by Ministers: and the Court approved the proposal.

The Accounts of the Samaritan Fund for the year ended the 28th February 1977 were laid before the Court together with a Minute of the Committee of Treasury with a recommendation for a grant of £2,077.47 to the Fund: and the Court approved thereof.

The following were submitted and approved -

1. A Minute on the renaming of the Glasgow Office and an Appointment recommended by the Governors.
2. With reference to a Minute of the 13th January, a Minute of the Charitable Appeals Committee on the making of a donation.
3. The Quarterly Report of the Audit Committee and Annual Review of the Audit Division programme.
4. The Annual Review of the work of the Audit Committee.

G

A Report from Sir Eric Roll on his visit to the Bristol Branch was laid before the Court.

With reference to a Minute of the 24th February, at the Deputy Governor's invitation Mr. Blunden informed the Court that, following the rejection of the Staff Organisation's application for a certificate of independence, the Advisory Conciliation and Arbitration Service would shortly hear a claim by A.S.T.M.S. for recognition for the purposes of collective bargaining for Bank Staff. It was understood that N.U.B.E. would now also be submitting a similar claim.

[Handwritten signature]
Secretary

7th April 1977.

[Handwritten initials]

7/4/77.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 7TH APRIL 1977

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.

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, F.R.S.

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

The Deputy Governor informed the Court that it had been decided to try to expand the banking business undertaken at the Branches, with a view to fostering banking expertise and to making some contribution to overhead costs. He explained that, in so doing, there was no intention to seek to compete strongly with the clearing banks, who had been made aware of the Bank's plans.

Reports from Mr. Cadbury and Sir Alastair Pilkington on their visit to the Liverpool Branch and from Lord Greene and Mr. Dow on their visit to the Glasgow Office were laid before the Court.



At the Deputy Governor's invitation, Mr.McMahon spoke about the offer of foreign currency bonds to the overseas official holders of sterling.

With reference to a Minute of the 17th March concerning a Report from the Staff Committee on the Educational Loan Scheme, Mr.Blunden reported that, in the course of negotiations with the Staff Organisation, agreement had been reached within the parameters approved by the Court.

The Deputy Governor drew attention to two instances of unwarranted criticism of the Bank in the national press and advised the Court of the action that it was proposed to take.

W. G. ...
Secretary
14th April 1977

Helena of Bedford

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 14TH APRIL 1977

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 Christopher Roderick Dow, Esq.

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

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

Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

With reference to a Minute of the previous week, Mr.McMahon reported on the response to the offer of foreign currency bonds to the overseas official holders of sterling.

The following were laid before the Court -

1. The monthly Banking Figures as at the 16th March.
2. The quarterly analysis of Bank Advances as at the 16th February.
3. A statement of forthcoming retirements and a secondment.

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

A Deed of Appointment of New Trustee to the Bank of England Pension Fund, in duplicate;

A Deed of Variation relating to a proposal to add a further floor to premises on the opposite side of Old Jewry to Bank Buildings;

the Court approved thereof and

ORDERED

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

On the Deputy Governor's invitation, Mr.Blunden spoke to the Court about a proposal to examine the quality of work which the Bank required for building and engineering services, the extent to which these services should be provided from outside the Bank or from their own resources and the way in which such internal work was organised. It was recommended that Oscar Faber and Partners be commissioned to carry out such an investigation: it was expected that the study, which would take about four months to complete, would cost a maximum of £7,000. This proposal was approved, and also a recommendation that the report by the engineering consultants should be referred to the Committee on Bank Premises.

h. h. h.
Secretary.
21st April 1977.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 21ST APRIL 1977

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

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

With reference to a Minute of the previous week, the Governor spoke to the Court about the allotment of foreign currency bonds to the overseas official holders of sterling.

The following were laid before the Court -

1. A Report of the Debden Committee on the General Manager's annual review of the operation of the Printing Works.

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2. The monthly report on Exchequer Finance.
3. A statement of the Overseas Trade Figures for March.
4. The monthly report on Industry and Finance.
5. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 14th April.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

H. G. G. G.
Secretary.

23rd April 1917.

John of Stafford

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 28TH APRIL 1977

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.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Hector Laing, Esq.
Sir John Maurice Laing
Lord Nelson of Stafford
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

The Quarterly Report of the Committee to consider the Securities of Certain Funds was submitted 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.

At the Deputy Governor's invitation, Mr. Blunden spoke to the Court about the desirability of making a formal salary offer, under the terms of Stage Two of incomes policy, in order to open discussions with the Staff Organisation. The Court approved this course of action, leaving the timing of such an approach to his discretion.

H. Blunden
Secretary
5th May 1977.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 5TH MAY 1977

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.
Sir John Maurice Laing
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets. With reference to a Minute of the 24th March, he reported that, following the outcome of the previous week's Treasury Bill tender, it had been decided, with the approval of the Chancellor of the Exchequer, to reduce Minimum Lending Rate to 8½%, rather than to allow the operation of the formula to reduce it to 8%.

A statement of Official Reserves at the end of April was laid before the Court.

Lord Weir was granted permission to join the Board of The British Bank of the Middle East.



It was reported that Mr. Clay had acted as Alternate at a Meeting of the Debden Committee that morning.

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

A background note by Mr. Dow on the prospects for Stage Three of incomes policy had been circulated to the Court. As previously arranged, the Governor invited non-Executive Directors to express their views on the subject and a discussion followed.

K. J. [unclear]
Secretary.
12th May, 1977.

Sen.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 12TH MAY 1977

Present

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

George Blunden, 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
The Rt.Hon.Lord Robens of Woldingham
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

With reference to a Minute of the 18th November 1976, the Governor informed the Court that, with the approval of the Chancellor of the Exchequer, it had been decided to continue the operation of the Supplementary Special Deposits scheme for a further six-month period on an unchanged basis.

The Governor spoke to the Court about the recent monthly meetings held at the Bank for International Settlements.

Q

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

The following were laid before the Court -

1. The monthly report on Exchequer Finance.
2. A statement of forthcoming retirements.

J. C. G. H.
Secretary
19th May 1911

John of Stafford

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 19TH MAY 1977

Present

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 Pforde, Esq.
Hector Laing, Esq.
Sir John Maurice Laing
Lord Nelson of Stafford
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets. With reference to a Minute of the 5th May, he reported that, following the outcome of the previous week's Treasury Bill tender, it had been decided, with the approval of the Chancellor of the Exchequer, to allow the normal operation of the formula to reduce Minimum Lending Rate to 8%.

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

The following were laid before the Court -

1. A statement of the Overseas Trade Figures for April.

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2. The monthly Banking Figures as at the 20th April.
3. The monthly report on Industry and Finance.
4. A statement of a forthcoming secondment.

[REDACTED]

H. G. Gough
Secretary
26th May 1917.

Walter of Ruffel.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 26TH MAY 1977

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.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

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

Hector Laing, Esq.

Sir John Maurice Laing

Lord Nelson of Stafford

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

The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

The following were submitted and approved -

1. The Quarterly Report of the Audit Committee.
2. A Minute of the Staff Committee on the appointment of the Bank Medical Officer.

The Deputy Governor spoke to the Court about an announcement that would be made later that day regarding foreign currency securities which had been dealt with contrary to the provisions of the Exchange Control Act.

6

[REDACTED]

With reference to a Minute of the 17th March concerning the presentation of a Loyal Address on the occasion of the Queen's Silver Jubilee, the Deputy Governor spoke about the composition of the delegation from the Bank to present the Address to Her Majesty the Queen on the 8th July and the Court agreed that the members of the deputation should be -

- The Governor
- The Deputy Governor
- The Secretary.

The Deputy Governor reported the death of a member of the Administrative Banking Staff.

*W. C. [unclear]
Secretary.
2nd June 1977.*

Lee

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 2ND JUNE 1977

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.
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

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets. He also reported a satisfactory volume of sales of the recently issued Variable Rate Treasury Stock, 1981.

The draft Accounts of the Bank for the year ended the 28th February 1977 were laid before the Court and the Deputy Governor spoke of suggestions for the appropriation of the operating profits of the Banking Department.

5

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

An Underlease to the Bank Clerks' Orphans' Fund of office space on the 6th Floor of 9/12 Cheapside

An Agreement for Minor Building Works, in duplicate, relating to the repair of the Manchester Branch roof

the Court approved thereof and

ORDERED

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

With reference to Minutes of the previous week and earlier concerning the Loyal Address to be presented to Her Majesty The Queen -

the Court approved thereof and

ORDERED

that the Address be sealed with the Common Seal of the Bank.

The Economic Report for May and a background note on the outlook for investment, having been circulated to the Court, the Governor invited Mr.Dow to speak. On the Governor's invitation, non-Executive Directors then expressed views on the prospects for investment, and related matters, and a discussion followed.

H. G. G. G.
Secretary.
9th June, 1911.

See.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 9TH JUNE 1977

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.
Sir Robert Anthony Clark, D.S.C.
John Christopher Roderick Dow, Esq.
Leopold David de Rothschild, Esq.
John Standish Fford, 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
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

With reference to a Minute of the previous week, the draft Accounts of the Bank for the year ended the 28th February 1977 were examined and, as regards the accounts of the Banking Department, the Deputy Governor spoke about the report of the Auditors in relation to provision for losses. In approving the Accounts provisionally, the Court noted that they would be advised when discussion with the Treasury concerning the dividend payment had taken place.

5

With reference to Minutes of the 16th September 1976 and earlier concerning support moves for the Slater, Walker group, the Governor spoke about the present complex situation and outlined the features of a scheme agreed with Slater, Walker Securities Limited, with the object of avoiding a liquidation of that company. As any delay in concluding the arrangements would give rise to unjustifiable risks, it was decided that a note detailing the various transactions that had been agreed between the Bank and Slater, Walker Securities Limited would be circulated to Members, and that any points arising therefrom would be discussed subsequently. It was then resolved as follows -

"There was produced to the Court draft documentation relating to proposals for the purchase by the Bank of the share capital of Slater, Walker Limited, for the purchase by Slater, Walker Limited of certain properties from companies within the Slater, Walker Group and for the Bank to be granted an option to acquire approximately 20 per cent. of the equity capital of Slater, Walker Securities Limited together with an explanatory memorandum relating to the proposals prepared within the Bank. The proposals were approved in principle and it was resolved that the Chief Cashier or any Deputy Chief Cashier be authorised on behalf of the Bank to execute all requisite documentation to give effect to the proposals."

The Governor introduced a draft of the concluding Assessment of the June edition of the Quarterly Bulletin and invited Mr. Dow to speak. As little time was available and the final version of the Assessment would be published a week later, a discussion was deferred until the next Court.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 2nd June was laid before the Court.

H. J. ...
Secretary
16th June 1977

J. H. ...

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 16TH JUNE 1977

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, D.S.C.

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

John Standish Fforde, Esq.

Hector Laing, Esq.

Christopher William McMahon, Esq.

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

Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets. He also spoke about the recently announced offer for sale, on behalf of H.M.Government, of ordinary stock units of the British Petroleum Company Limited.

With reference to Minutes of the previous week and earlier, the Governor again spoke about the complex Slater, Walker situation. An explanatory note, which was circulated to Members, described the present position and set out the points for and against either adopting proposals for a reconstruction or else accepting a liquidation of Slater, Walker Securities Limited. It was evident that each course was unattractive and presented serious problems.



The Governor pointed out that if the liquidation course were adopted, the impression could be given that the Bank had failed to achieve what it had set out to do. In addition, a consequence would be the first default, since 1973, by a U.K. financial borrower on its Eurobond obligations. This could have wider repercussions. Nevertheless, it had to be borne in mind that depositors in the banking subsidiary would have been paid off and that the main purpose of the support operation would accordingly have been fulfilled. Moreover, if the reconstruction proposals were adopted, it would be difficult to justify the purchase of properties, by a subsidiary of the Bank, at prices substantially above their present market values; and such a scheme might also call eventually for further support involving a risk of further loss to the Bank.

Following a discussion of the issues involved, the Court concluded that it would be preferable to accept a liquidation; and it was accordingly agreed that the resolution approved at the last Court should be rescinded.

The following were laid before the Court -

1. The monthly Banking Figures as at the 18th May.
2. The monthly report on Exchequer Finance.

It was reported that Lord Weir had acted as Alternate at a Meeting of the Committee of Treasury that morning.

M 23/6/77
H. J. ...
Secretary
23rd June 1977.

A COURT OF DIRECTORS AT THE BANK

ON TUESDAY, THE 21ST JUNE 1977

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.
John Standish Fforde, Esq.
Lord Greene of Harrow Weald, C.B.E.
Sir John Maurice Laing
Christopher William McMahon, Esq.

With reference to Minutes of the previous week and earlier concerning Slater, Walker Securities Limited, the Governor regretted that it was necessary to summon the Court at short notice owing to the urgency of the situation. He recalled the decision reached at the last Court not to proceed with the then proposals for reconstruction and said that, on being so informed, the directors of the company had expressed considerable concern at the prospect of liquidation. They had therefore written a paper setting out the consequences which they considered would follow from the Court's decision. This had highlighted, for the first time from Slater, Walker Securities Limited, the likely conflict between the Bank, the company, its board and its creditors which could be expected in a liquidation, leading almost inevitably to legal process of some kind. The merchant bank advising the Bank in the matter had taken the view that in any litigation following

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liquidation the directors of Slater, Walker Securities Limited would, on legal advice, feel compelled to criticise the Bank. In addition to the general embarrassment which would flow from public dispute, a real financial risk could arise from the course of liquidation, if the liquidator were successful in putting Slater, Walker Limited itself into liquidation. This would have the effect of removing from the Bank the benefit of the profits of the latter company which were due to the Bank until 125% of the amounts called under the Bank's guarantee were repaid.

In these circumstances, modified reconstruction proposals had subsequently been submitted by the company and discussed with the Bank. In revised form these proposals, which were designed to meet some of the principal objections that Members had seen in the arrangements proposed earlier, were described in papers now circulated to the Court, which also included an assessment of alternative courses. This indicated that in a reconstruction as now proposed the Bank's loss could be significantly less than in liquidation; that there should be no present default on Eurobond obligations and no ripple effect on unit trusts and insurance interests; and that dispute and litigation should be avoided.

The Court then examined the various proposals in some detail and discussed the advantages and disadvantages of either adopting the new proposals for a reconstruction or else accepting a liquidation of Slater, Walker Securities Limited. They concluded that, while each course was unattractive, it would be in the best interests of the Bank, and in the wider public interest, to adopt the revised reconstruction proposals; and that steps should be taken to secure their implementation, subject to such further modification as might have to be negotiated. It was also agreed that this decision should be submitted for ratification at the next Court.

Edinburgh
Secretary
23rd June 1977.

MS 23/6/77

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 23RD JUNE 1977

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.
John Standish Fforde, Esq.
Sir John Maurice Laing
Christopher William McMahon, Esq.
Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Minutes of the Courts of the 16th and 21st June, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets. With reference to Minutes of the 16th June, he also spoke about the offer for sale of ordinary stock units of The British Petroleum Company Limited, for which application lists would open and close on the following day.

With reference to Minutes of the last Court, the Governor recalled that it had been concluded that it would be both in the best interests of the Bank and in the wider public interest to adopt the revised reconstruction proposals for Slater, Walker Securities Limited, and outlined the features of the scheme. He reported that the documentation relating to the new proposals was now in the course of preparation but as it might be necessary to execute documents on behalf of the Bank before the next Court, it would be prudent to delegate certain responsibilities in this field to a sub-committee of the Court: and it was accordingly resolved as follows -

"The revised proposal for the purchase by the Bank of the share capital of Slater, Walker Limited, for the purchase by Slater, Walker Limited of a 6 per cent. convertible Subordinated Note issued by Cornwall Equities Inc. due the 1st June 1988 for U.S.\$10 million, for the payment by Slater, Walker Limited of a sum in consideration of tax losses surrendered to it by other members of the Slater, Walker Group and for the purchase by Slater, Walker Limited of 100 Fetter Lane and land at Wokingham which was considered at the meeting of the Court on the 21st June 1977 was again discussed. The Governor explained that certain points remained to be negotiated with Slater, Walker Securities Limited, that it might be necessary for documents to be executed on behalf of the Bank before the next meeting of the Court and that the drafts of such documents were not yet available. Accordingly, it was resolved that a sub-committee of the Court comprising

The Governor
Sir Maurice Laing
Mr.Fforde
Mr.McMahon
Mr.Dow
Mr.Blunden
Sir Robert Clark

be appointed with authority to approve any variations to the revised proposals which might be negotiated with Slater, Walker Securities Limited and to approve the documentation necessary to give effect to the revised proposal (or any variation to it approved by the sub-committee). It was further resolved that, subject to the approval of the sub-committee, the Chief Cashier or any Deputy Chief Cashier be authorised on behalf of the Bank to execute all requisite documentation to give effect to the revised proposal (as varied with the approval of the sub-committee)."

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The Governor then spoke in general terms about the Bank's support operations and referred briefly to the situation regarding Edward Bates & Sons Limited.

With reference to Minutes of the 9th June and earlier, the Accounts of the Bank for the year ended the 28th February 1977 were laid before the Court, together with a recommendation by Mr. Blunden that the Accounts be approved and signed, and the Court agreed thereto.

The following were submitted and approved -

1. A Report of the Committee on Permanent Control of Expenditure.
2. A paper containing recommendations regarding pension arrangements for the staff of B.E. Services Limited.

A Report of the Staff Committee on an increase in pensions and allowances was also submitted. The Court approved the proposals, varied only to the extent that an increase be awarded on net pensions and allowances in payment on the 1st July 1977 calculated as follows:

- (1) On gross pensions and allowances up to £6,000 - 17%;
- (2) On gross pensions and allowances in excess of £12,000 - 11%;
- (3) On gross pensions and allowances between (1) and (2) above, a percentage rise on a sliding scale between 17% and 11%.

The following were laid before the Court -

1. A statement of the Overseas Trade Figures for May.
2. A Report of the Staff Committee on Banking Staff Wastage.

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Details of a loan to be made to [redacted] under the terms of the scheme of Banking Loans for House Purchase, approved by the Court of the 29th March 1973, and of a temporary bridging loan under the terms of the Housing Loan Scheme were submitted and approved. It was further agreed that if [redacted] did not proceed with the prospective purchase, the Governors should be empowered to approve similar facilities within the terms of the respective schemes for a subsequent purchase.

Mr. Clay was granted permission to join the Board of Wedgwood Limited.

Belmont

Secretary.

30th June 1977.

Belmont of Stafford

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 30TH JUNE 1977

Present

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

Sir George Adrian Hayhurst Cadbury
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
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

Arising therefrom, the Governor reported that there had been no change in the revised proposals for the reconstruction of Slater, Walker Securities Limited and that it was expected that an announcement on the subject would be made on the following Tuesday.

The Governor commented on the weekly Figures and the state of the markets which had, to a large degree, been dominated by the sale of ordinary stock units of The British Petroleum Company Limited. In speaking about the oversubscription of the offer, he outlined the bases of allocation of the units.



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

A Deed of Adherence, in triplicate, relating to the participation of B.E.Services Limited in 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.

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

W. J. H. J.
Secretary.
7th July 1911.

W. J. H. J.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 7TH JULY 1977

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Pforde, 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

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

A statement of Official Reserves at the end of June was laid before the Court.

With reference to Minutes of the previous week and earlier regarding Slater, Walker Securities Limited, the Governor reported that the sub committee of the Court, having examined the draft documents, had resolved that the conditional purchase of Slater, Walker Limited and the related proposals be approved. It was now expected that Slater, Walker would suspend their share and loan stock quotations at the close of

65

business on the Stock Exchange that day and that they would issue a short press release which would make no reference to the Bank's role. While there would probably be conjecture as to the precise nature of Slater, Walker's proposals, it was not intended that either they or the Bank should respond to press enquiries until the company's circulars had been sent out to share and loan stock holders. The Bank, for their part, did not intend to make a press release until the circulars had been despatched. The possibility of a leak of information before then could not be dismissed; and if one proved serious enough, the Bank might feel compelled to make an earlier announcement about their role in the proposals.

A Minute of the Committee of Treasury on the Annual Report and Accounts of the Bank was submitted and approved, subject to the deletion of one sentence regarding support operations.

A further Minute of the Committee of Treasury on senior appointments was read and approved.

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

With reference to a Minute of the 28th April concerning the 1977 Pay Settlement, Mr. Blunden reported that the Staff Organisation had decided not to accept the Bank's formal offer of the maximum amount allowable under Stage II of pay policy.

With reference to a Minute of the 9th December 1976 concerning the Report on the Bank of England from the Select Committee on Nationalised Industries, the final draft of the Government's reply, which was still subject to the Chancellor's approval, was submitted to the Court. The form of the response was considered to be satisfactory.

69

A Report of the Staff Committee on arrangements for supporting part-time study was submitted and approved.

With reference to Minutes of the previous week and earlier about the sale of ordinary stock units of the British Petroleum Company Limited, the Governor acquainted the Court of a letter of appreciation from the Chancellor of the Exchequer in which he had paid tribute to all those whose skills and efforts had contributed to making a considerable success of so complex an operation.

[REDACTED]

In reporting that Mr.W.P.Cooke had now succeeded Mr.Blunden as Chairman of the Committee on Banking Regulations and Supervisory Practices, the Governor complimented Mr.Blunden on the setting up and the operation of the Committee which now had a regular place internationally.

It was reported that Mr.Clay had acted as Alternate at a Meeting of the Debden Committee that morning.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 30th June was laid before the Court.

H. G. ...
Secretary.
14th July 1917.

L. L.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 14TH JULY 1977

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.
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, F.R.S.
The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

With reference to Minutes of the previous week and earlier concerning Slater, Walker Securities Limited, the Governor reported that, following the company's recent press release, they intended to despatch circulars to share and loan stock holders in the next week and that the Bank proposed to issue their own press announcement at the same time.

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The following were laid before the Court -

1. The monthly Banking Figures as at the 15th June.
2. The quarterly analysis of Bank Advances as at the 18th May.
3. The monthly report on Exchequer Finance.

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

The Governor mentioned that he had received a request to meet the Administrative Staff. He said that, while he would not attend a mass meeting, the Committee of Treasury had endorsed the view that it was appropriate that he should meet the representatives of the Administrative Staff in order to hear their opinions, though not to negotiate with them.

At the invitation of the Governor, Mr. Blunden spoke about a formal request submitted by the Staff Organisation for a revision of the Pension Fund Rules relating to cost of living increases. The Court concluded that they were not inclined to make the concessions that were being sought.

Specimens of the new (Series "D") £1 note were submitted and approved. It was agreed that the Court's appreciation should be expressed to the Artist Designer at the Printing Works who had been responsible for all the designs in the new Series of notes.

[REDACTED]

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

16

A Deed of Variation relating to the lease of
part of the sub-basement at 36/39, Cheapside
to Manufacturers Hanover Trust Company

the Court approved thereof and

ORDERED

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

With reference to Minutes of the 2nd June
and earlier, the Governor reported that he had presented
to The Queen the Loyal Address on the occasion of
Her Majesty's Silver Jubilee. He read the reply that
Her Majesty had been graciously pleased to make.

The Governor spoke in general terms about the
Overseas Trade Figures for June which were due to be
published that afternoon.

W. G. B. H.
Secretary
14th July 1911.

Seal

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 21ST JULY 1977

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 George Adrian Hayhurst Cadbury
Sir Robert Anthony Clark, D.S.C.
John Martin Clay, Esq.
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 Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets, and spoke to the Court in general terms about the Chancellor of the Exchequer's statement on pay and economic measures.

With reference to a Minute of the previous week, the Governor also spoke about his recent meeting with representatives of the Administrative Staff.

With reference to Minutes of the previous week and earlier concerning Slater, Walker Securities Limited, the Governor reported that, as there had been a further delay in the arrangements, it was now expected that the company would despatch circulars to share and loan stock holders in the following week and that the Bank would issue their press announcement at the same time.

R.H.

With reference to Minutes of the 23rd June and earlier, the Deputy Governor spoke about the situation regarding Edward Bates & Sons Limited. An explanatory paper, which was circulated to the Court, traced the background and described developments which had led, after prolonged negotiation, to the emergence of a reconstruction scheme. In agreeing that steps should be taken to implement the reconstruction plan outlined in the paper submitted to them, the Court noted that, if successfully implemented, the proposed arrangements would complete the rescue of Edward Bates & Sons Limited without the need for the formal liquidation of an authorised bank; and also that provision for the loss which would be incurred as a consequence of this support operation had already been made in the Bank's recently published accounts.

With reference to a Minute of the previous week, a statement of the Overseas Trade Figures for June was laid before the Court and, on the Governor's invitation, Mr. McMahon explained the manner in which estimates of the country's invisible earnings were published at the same time as the actual monthly trade balances.

The following were laid before the Court -

1. A Report of the Governors on an Appointment at the Printing Works.
2. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 14th July.

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

It was reported that Sir Adrian Cadbury had acted as Alternate at a Meeting of the Audit Committee that morning.

With reference to a Minute of the 17th March concerning Court proceedings and related matters, the

Governor suggested that it might be convenient to hold one of the proposed "teach-in" sessions for non-Executive Directors immediately prior to a working dinner for Directors, of the type arranged last December. It was left that a suitable date, possibly in the autumn, should be found for both functions.

A background note by Sir Henry Benson on the introduction and role of Audit Committees, together with some wider reading material, had been circulated to the Court: at the Governor's invitation, Sir Henry Benson attended and introduced his paper. As previously arranged, the Governor sought the views of non-Executive Directors on the subject and a discussion followed.

B. Knack
Asst Secretary
28.7.77

Len.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 28TH JULY 1977

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 George Adrian Hayhurst Cadbury
Sir Robert Anthony Clark, D.S.C.
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.
Sir John Maurice Laing
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets, particularly the foreign exchanges. He spoke of the considerations which had led to the decision to allow sterling to rise, saying that with the sharp depreciation in the U.S. dollar since the end of June it - taken alone - was no longer the best reference point against which to seek to manage sterling and that for the future attention would equally be paid to the Effective Rate Index. As a consequence of that decision, the intervention level against the dollar had been progressively raised the previous day, so allowing sterling to appreciate.

R.H.

Enormous demand for pounds had ensued; and despite official intervention sterling had risen by nearly 2 cents and the Effective Rate Index had improved from 60.6 to 61.3.

A statement of the Unemployment Figures for July was laid before the Court.

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

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

The Governor referred to recent reports in the press on the issue of defective Bank notes which had also given rise to two Parliamentary Questions. A preliminary investigation had not revealed any evidence to support the allegations of a "flood of thousands" of such notes; and whilst the error was much regretted he considered that the reaction to it had been greatly exaggerated. The Court endorsed that conclusion and expressed their satisfaction with the remarkably high standard of printing and accuracy maintained by the Printing Works. It was suggested that the Governor should convey the Court's expression of confidence to the management at the Printing Works at the appropriate time.

With reference to Minutes of the previous week and earlier concerning Slater, Walker Securities Limited, the Governor reported that, as there had been yet a further delay in the arrangements, it was now expected that the Bank would despatch circulars to share and loan stock holders early next week and that the Bank would issue their press announcement at the same time.

With reference to Minutes of the previous week and earlier, the Governor also reported that negotiations on the reconstruction scheme for Edward Bates & Sons Limited were proceeding satisfactorily. A press announcement would be issued early next week.

B.T.

The Governor mentioned that the Chancellor would shortly be addressing a letter on the need for pay restraint to the Heads of all nationalised industries, and to the Governor himself, and that he would be urging the Governor to use his influence to the utmost to persuade financial institutions to adhere to the pay policy. The Governor said he had already spoken very forthrightly to the representatives of the financial institutions on the City Liaison Committee and to the Clearing Banks stressing the need for adherence to the guidelines and particularly to Stage II.

The Governor reported that he had for some time been considering the idea of instituting a Panel of Academic Consultants, the general objective of which would be to keep the Bank in touch with academic thinking in formulating policy proposals. Arrangements for this were now well advanced and at the Governor's invitation Mr. Dow explained more fully what was envisaged.

R. Hancock
Asst. Secretary
4.8.77

Letter of Refusal.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 4TH AUGUST 1977

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

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.

Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

A statement of Official Reserves at the end of July was laid before the Court.

With reference to Minutes of the previous week and earlier, the Deputy Governor referred to the generally satisfactory nature of the press coverage of the proposals announced earlier in the week in regard to Edward Bates & Sons Limited and Slater, Walker Securities Limited.

With reference to a Minute of the previous week, the Deputy Governor reported further on the investigation into the circumstances which had led to the issue of defective Bank notes.

5

A statement of forthcoming secondments was laid before the Court.

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

The Deputy Governor spoke to the Court about a press announcement that had been made earlier in the day regarding the setting up of a Committee under the joint auspices of the Bank and the Stock Exchange to study the system for settlements of transactions in gilt-edged securities.

H. G. ...
Secretary
11th August, 1977.

John of ...

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 11TH AUGUST 1977

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

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.

Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

With reference to Minutes of the 12th May and earlier, the Deputy Governor spoke to the Court about the Supplementary Special Deposits scheme which had been reintroduced in November 1976 and continued in operation last May. He said that recent indications were that domestic credit expansion was within the path set by the limit for the current financial year and that the growth of the money supply was within its target range. Recent large sales of gilt-edged securities, including the oversubscription that morning of the new long-dated tap stock, had contributed substantially to these developments. In addition, the

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demand for bank credit remained modest and the interest-bearing eligible liabilities of the banking system were 6½% below the limit set. The scheme was therefore serving no useful purpose. Accordingly, and with the approval of the Chancellor of the Exchequer, he proposed that the operation of the Supplementary Special Deposits scheme should be suspended for the time being: and this was approved. The Deputy Governor commented that, if a need arose, the scheme would be reactivated and that it would be made clear that its suspension should not be regarded as a relaxation of monetary policy. He added that the Bank's guidance on the direction of lending would continue unchanged.

A Report of the Committee on Bank Premises concerning the proposed extension to the Southampton Branch was submitted and approved.

The following were laid before the Court -

1. A Report from Mr. McMahon and Sir Robert Clark on their visit to the Birmingham Branch.
2. The Report and Accounts of the Bank of England Pension Fund for the year ended the 28th February 1977.

With reference to a Minute of the 14th July concerning a formal request submitted by the Staff Organisation for a revision of certain Pension Fund Rules, Mr. Blunden spoke to the Court about a recent meeting of the Joint Negotiating Council at which the matter had been discussed. He reported that the Staff Organisation had adopted a reasonable attitude and that it had been left that consideration would be given to some fuller description of the "extraordinary circumstances" in which pensions could be increased by a lesser proportion than a rise in the retail price index.

At the Deputy Governor's invitation, Mr. Blunden also spoke about two other staff matters -

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1. With reference to Minutes of the 7th July and earlier regarding the 1977 Pay Settlement, a multiple claim about to be submitted by the Staff Organisation which would seek increases in various allowances, the restoration of differentials and the introduction of certain fringe benefits.
2. The intention to undertake a review of the Housing Loan Scheme, by the Staff Organisation and nominees of the Chief of Establishments, with the object of producing an agreed study of the Scheme, which could form a basis for recommendations to be submitted at a later stage.

With reference to a Minute of the previous week concerning a statement of Official Reserves at the end of July, a graph indicating gross and net reserves since 1972 was laid before the Court. On the Deputy Governor's invitation, Mr. McMahon commented on the underlying figures and it was agreed that future statements of Official Reserves to be laid before the Court should include the net figures. It was furthermore agreed that the Treasury should be invited to consider the idea of publishing the monthly figures in a similar manner.

K. G. J. for
Secretary
 1st September 1977

Len

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 18TH AUGUST 1977

Present

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

Sir Robert Anthony Clark, D.S.C.

John Standish Fforde, Esq.

Hector Laing, Esq.

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 Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

A recommendation by the Deputy Governor on senior appointments was read and approved.

The following were laid before the Meeting -

1. A statement of the Overseas Trade Figures for July.
2. The monthly report on Exchequer Finance.
3. The monthly Banking Figures as at the 20th July.

With reference to a Minute of the 26th May regarding a change in policy concerning foreign currency securities held, contrary to exchange control requirements,

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outside the custody of an Authorised Depository, the Deputy Governor spoke about the recent decision to extend the previously announced deadline for the deposit of such securities by two months, until the end of October.

H. G. ...

Secretary

1st September 1911.

Len

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 25TH AUGUST 1977

Present

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

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, D.S.C.

John Standish Fforde, Esq.

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

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 Minutes of the last Meeting, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

A recommendation by the Deputy Governor on the award of a gratuity was read and approved.

A statement of the Unemployment Figures for August was laid before the Meeting.

With reference to a Minute of the 14th July, the Deputy Governor spoke about a recent press notice regarding the new (Series "D") £1 note.

With reference to Minutes of the 21st July and earlier, it was mentioned that it had been decided to hold the first "teach-in" session for non-Executive



Directors on the 8th December, immediately prior to a working dinner for all Members of the Court.

H. G. ...

Secretary

1st September 1977

Sen

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 1ST SEPTEMBER 1977

Present

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

Sir George Adrian Hayhurst Cadbury
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.
Sir John Maurice Laing

The Minutes of the Court of the 11th August and of the Meeting of the 18th August were confirmed and those of the Meeting of the 25th August, which had also been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

The following were laid before the Court -

1. A Report from Mr.Clay on his visit to the Southampton Branch.
2. A statement of a forthcoming secondment.

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

An Underlease to Manufacturers Hanover Trust Company of office space on the fifth floor and sub-basement storage room at 36/39 Cheapside;

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Articles of Agreement and Contract Conditions,
in duplicate, relating to the Southampton
Branch extension;

the Court approved thereof and

ORDERED

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

With reference to Minutes of the 4th August
and earlier concerning Slater, Walker Securities
Limited, the Governor mentioned the recent meetings of
the company's loan stockholders and of its shareholders,
which had approved the various reconstruction
proposals. The acquisition by the Bank of the company's
wholly-owned banking subsidiary, Slater, Walker Limited,
for a cash consideration of £3.5 million, was being
completed that morning.

The Governor spoke to the Court about two
recent moves affecting foreign exchange dealing.
The first concerned a relaxation of foreign exchange
dealing rules and a raising of dealing limits; and the
other, an extension of the conditions under which
bureaux de change might operate.

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

W. G. ...
Secretary.

Lee

8th September 1977.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH SEPTEMBER 1977

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.
Lord Greene of Harrow Weald, C.B.E.
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

The following were laid before the Court -

1. With reference to a Minute of the 11th August, a statement of Official Reserves at the end of August, showing net figures in addition to the gross.
2. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 1st September.

With reference to Minutes of the 15th April 1976 and earlier, on the invitation of the Governor,

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Mr. Blunden spoke about the need to revise the Recognition and Procedure Agreement to reflect the fact that the Staff Organisation was now recognised as the bargaining unit for Banking Staff, Scale I, and the Technical and Services Staff. He also outlined various changes of detail which it was proposed to make. 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.

It was mentioned that a recently published analysis of the U.K. Balance of Payments had disclosed that the financial institutions of the City had last year increased their net invisible earnings by 31½ to a figure of £1,545 million.

[REDACTED]

The Governor introduced a draft of the concluding Assessment of the September edition of the Quarterly Bulletin and invited Mr. Dow to speak. As little time was available, and to give Members an opportunity to study the arguments developed in the Assessment, discussion on the relationships between the exchange rate and the level of inflation, on the one hand, and the exchange rate and monetary inflows, on the other, was deferred until the next Court.

H. J. [unclear]
Secretary.

15th September 1977

Chairman of Staff

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH SEPTEMBER 1977

Present

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

George Blunden, Esq.
Sir George Adrian Hayhurst Cadbury
John Martin Clay, Esq.
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 Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

The following were laid before the Court -

1. A statement of the Overseas Trade Figures for August.
2. The monthly report on Exchequer Finance.
3. The monthly Banking Figures as at the 17th August.

With reference to Minutes of the 17th February and earlier, on the Governor's invitation, Mr.Blunden spoke about a paper which examined the question of removing the Accountant's Department out of London. He outlined the various investigations that had been undertaken and said that calculations indicated that a move, to coincide with computer changes in 1980/81, to any of the three locations principally considered would



probably be financially worthwhile. However, a number of other factors, such as staff opposition to relocation, the likelihood of difficulties in retaining certain key personnel and doubts about the ability to let the vacated space at New Change, had to be set off against the possible financial savings and, in the circumstances, the conclusion had been reached that a move in 1980/81 should not now be contemplated. Nevertheless, in advising the staff of this decision, it was proposed that they should be told that it was still the Bank's long-term intention to pursue the matter of relocation. The Court were in agreement with the conclusions set out in the paper and the proposal to issue a notice to the staff of the Accountant's Department on the subject, the precise wording of which to be left to the Governor's discretion.

With reference to Minutes of the 11th August and earlier regarding the 1977 Pay Settlement, Mr. Blunden reported that the need for the Bank to observe pay policy had led to the recording of first disagreement at a recent meeting of the Negotiating Council on a number of claims for increases, from the 1st August, in some elements of remuneration other than basic pay. He also mentioned the formal request submitted by the Staff Organisation for a revision of certain Pension Fund Rules and said that they now seemed inclined to let the matter drop.

With reference to a Minute of the previous week regarding the concluding Assessment of the September edition of the Quarterly Bulletin, after Mr. Dow had spoken, the Governor commented on the two sections concerned with exchange rate policy and inflation and external inflows and monetary control.

W. Blunden
Secretary.

22nd September 1977.

W.

22/9/77

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND SEPTEMBER 1977

Present

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

George Blunden, Esq.
Sir George Adrian Hayhurst Cadbury
Sir Robert Anthony Clark, D.S.C.
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.
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

A Report of the Staff Committee on the payment of certain gratuities was submitted and approved.

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

A Form of Discharge relating to part of the security for the standby facility granted to the Ionian Bank the Court approved thereof and

ORDERED

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

cl

With reference to Minutes of the 4th August and earlier regarding Edward Bates and Sons Limited, the Governor informed the Court that the documents to give effect to the proposed reorganisation were now ready for completion and that it was necessary for the Bank to execute a Deed of Indemnity in favour of their newly formed, wholly owned subsidiary, EBS Investments Limited: and it was resolved as follows -

"A letter from Messrs.Freshfields having been submitted together with a Deed of Indemnity, in duplicate, to be executed by the Bank in favour of their newly formed, wholly owned subsidiary, EBS Investments Limited, to which were appended final drafts of four Agreements to which that company would be a party in connection with the proposed reorganisation of Edward Bates & Sons Limited and of its parent company, Edward Bates & Sons (Holdings) Limited, the Court approved thereof and ordered that the Deed of Indemnity be sealed with the Common Seal of the Bank; and that the Chief Cashier or any Deputy Chief Cashier be authorised to sign on behalf of the Bank any documents which may be necessary or desirable in connection with the proposed reorganisation."

The following were laid before the Court -

1. A Report of the Staff Committee on Banking Staff wastage.
2. A statement of the Unemployment Figures for September.
3. A statement of forthcoming secondments.

The Governor referred to the Wilson Committee of inquiry into the operation of the country's financial institutions and mentioned the recent decision to publish an interim progress report.

At the Governor's invitation, Mr.McMahon spoke about the forthcoming annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development.

J. H. [unclear]
Secretary.

29th September 1944.

[Handwritten initials]

29/9/77.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 29TH SEPTEMBER 1977

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

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

The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

With reference to a Minute of the previous week, the Deputy Governor spoke briefly on the main features of the recent annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development.

With reference to a Minute of the 28th July regarding the intention to establish a Panel of Academic Consultants, at the Deputy Governor's invitation Mr.Dow outlined the arrangements for the first meeting with the Panel which would be held in the following week.

F.H.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered and approved by a Resolution on the 22nd September was laid before the Court.

The Economic Report for September and a paper on E.E.C. membership and U.K. trade in finished manufactures were introduced by the Deputy Governor, who invited Mr. Dow to speak: a discussion followed.

P. H. Anocks
Asst. Secretary
6.10.77

Len.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 6TH OCTOBER 1977

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
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

A statement of Official Reserves at the end of September was laid before the Court.

The Governor spoke about the recent annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development which he had attended in Washington.

At the Governor's invitation, Mr.Blunden reported on the latest developments in the 1977 pay negotiations and in particular spoke about a proposal to discontinue coffee breaks in return for more pay which the Staff Organisation were expected to want to explore with the Bank: a discussion followed.

G

With reference to the Minutes of the previous week and earlier, the Governor spoke about the meeting, the previous day, of the Panel of Academic Consultants.

It was reported that Mr. Clay had acted as alternate at a meeting of the Debden Committee that morning.

A statement of forthcoming retirements was laid before the Court.

The current paper on World Payments Trends and a paper on Prospects for the U.S. Economy were introduced by the Governor who invited Mr. Dow to speak: a discussion followed.

H. G. H.

Secretary.

13th October, 1977.

Sen.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 13TH OCTOBER 1977

Present

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

Sir George Adrian Hayhurst Cadbury
Sir Robert Anthony Clark, D.S.C.
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.
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

The monthly report on Exchequer Finance was laid before the Court.

With reference to Minutes of the previous week and earlier, the Deputy Governor reported that the Staff Organisation had agreed to accept a Stage II pay settlement and spoke about the current position of other claims which had been submitted. It was also reported that, after reconsidering the Organisation's application, the Certification Officer had granted them a Certificate of Independence.

6

With regard to Minutes of the 1st September and earlier, it was mentioned that two books concerning Slater, Walker had been published that day, as well as another book about the banking system which also contained references to the Bank.

At the Governor's invitation, Mr. McMahon spoke to the Court about impressions gained during his recent visits to New Hampshire and Chicago: and a discussion followed.

With reference to a Minute of the 29th March 1973, the Governor having withdrawn, the Court considered the Governor's letter of the 13th October 1977 regarding the arrangements made in 1973 whereby the Bank had assumed responsibility for the retirement benefits provided for the Governor by virtue of his membership of the J. Henry Schroder Wagg & Company Limited Staff Assurance Scheme (as amended). It was noted that, under these arrangements, which were secured by Policies with the Legal & General Assurance Society Limited, the Governor's normal date of retirement (which for this purpose could not be deferred) was the 25th November 1977, at which time a number of options were available to him. Account having been taken of the Governor's wishes in that respect,

IT WAS RESOLVED -

That the Life Assurance Policies with the Legal and General Assurance Society Limited on the life of Gordon William Humphreys Richardson and numbered 2052511 and 2058731 be surrendered on or before the 15th October 1977 and the proceeds then applied in accordance with the terms of the Pension Scheme referred to in the Agreement, dated the 29th March 1973 between J. Henry Schroder Wagg & Co. Limited and the Governor and Company of the Bank of England, to provide -

- (a) with effect from the 25th November 1977 the maximum amount which the Scheme and the Inland Revenue allow the said Gordon William Humphreys Richardson to take as a tax free cash sum; and

G

(b) a joint and survivor annuity effective from the 25th November 1977 in the joint names of Gordon William Humphreys Richardson and his wife Margaret Alison Richardson, guaranteed for five years, at the rates secured by the Bank with the Legal and General Assurance Society Limited and valid until the 15th October 1977. Such guarantee to provide, in the event of Mr. Richardson's death before the expiry of 5 years, for the unbroken continuation of the annuity to his widow, Margaret Alison, and, in addition, for a lump sum cash payment equal in value to the difference between five years' instalments of the annuity and the instalments already paid to the date of death.

AND IT WAS FURTHER RESOLVED -

That the Secretary be authorised to instruct Houblon Nominees to deliver up the above-mentioned Policies and otherwise to complete all the necessary formalities with the Legal and General Assurance Society Limited.

H. J. G. J.
Secretary
20th October 1977.

MS *20/10/77*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 20TH OCTOBER 1977

Present

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

George Blunden, Esq.
Sir George Adrian Mayhurst Cadbury
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
The Rt.Hon.Lord Robens of Woldingham
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets.

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

The monthly Banking Figures as at the 21st September were laid before the Court: a discussion in general terms on the problems of external inflows and monetary control followed.

The following were also laid before the Court -

1. A statement of the Overseas Trade Figures for September.
2. The quarterly analysis of Bank Advances as at the 17th August.
3. A statement of a forthcoming retirement and two secondments.

H. J. Laing
Secretary
27th October 1977.

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 27TH OCTOBER 1977

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.
Lord Greene of Harrow Weald, C.B.E.
Hector Laing, Esq.
Sir John Maurice Laing
Christopher William McMahon, Esq.
Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

At the Governor's invitation, Mr.Dow and Mr.McMahon spoke to the Court about the measures announced by the Chancellor of the Exchequer the previous day: a discussion followed.

Two Reports of the Staff Committee on Housing and Educational Loan borrowing limits were submitted and approved.

A statement of the Unemployment Figures for October was laid before the Court.

With reference to Minutes of the 22nd September and earlier, the Governor spoke about the Edward Bates

G

reconstruction and said that Edward Bates and Sons Limited, an authorised bank, had now been acquired by its new owners, who proposed to rename it Allied Arab Bank Limited.

The Governor outlined the situation, and also the action taken by the Bank, regarding Sarabex Limited, a foreign exchange broking firm which was not a member of the London Foreign Exchange and Currency Deposit Brokers' Association and which had asked the European Commission to investigate the arrangements, introduced at the instigation of the Bank, under which the foreign exchange and currency deposit markets in the United Kingdom operated and were supervised.

[REDACTED]

H. G. G. G.

Secretary

3rd November 1977.

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 3RD NOVEMBER 1977

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 George Adrian Hayhurst Cadbury
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.
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets and also spoke about the factors which had led up to the recent decision to adjust the Bank's intervention policies in the foreign exchange market.

A Minute of the Committee of Treasury recommending increases, with effect from the 1st July 1977, in the pensions and allowances in payment to former Governors and Executive Directors was read and approved.



A statement of Official Reserves at the end of October was laid before the Court.

Figures showing the results of the Banking Department's operations for the half-year ended the 31st August 1977 were also laid before the Court. The Deputy Governor spoke about the possible outturn for the full financial year and the size of the provisions that might be required.

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

The Executive Directors having withdrawn, the Governor made specific proposals regarding the remuneration of the Deputy Governor and the Executive Directors; and the Court approved thereof. The Governors having then withdrawn, Lord Nelson made a similar proposal regarding the remuneration of the Governor; and this was approved.

J. C. P. H.

Secretary

10th November 1977.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 10TH NOVEMBER 1977

Present

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

George Blunden, Esq.
Sir George Adrian Hayhurst Cadbury
Sir Robert Anthony Clark, D.S.C.
John Christopher Roderick Dow, Esq.
Leopold David de Rothschild, Esq.
John Standish Pforde, Esq.
Hector Laing, Esq.
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

The Quarterly Report of the Committee to consider the Securities of Certain Funds was submitted and approved, subject to the decision that, for the time being, the proportion of the Pension Fund invested in overseas securities should not be increased.

A Report of the Committee on Bank Premises on their work was also submitted and approved.

The Governor spoke about two recent press articles concerning the rôle of the Bank and relations with the Treasury: a discussion followed.

②

The following were laid before the Court -

1. The monthly report on Central Government Finance, which was in a revised form.
2. A statement of two forthcoming resignations and a secondment.

In the instance of one resignation, as the official was leaving the Service at his own volition the immediate pension payable had been made subject to actuarial reduction. The view was expressed that this adjustment appeared to be unduly harsh in comparison with the scale pension awarded to the other individual on his resignation; and it was agreed that the differences in treatment between the two cases should be reviewed.

W. G. H. J.
Secretary
17th November 1977.

J. G.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 17TH NOVEMBER 1977

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 George Adrian Hayhurst Cadbury
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.
Christopher William McMahon, Esq.
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

Arising therefrom, the Deputy Governor explained the background to the two forthcoming resignations and said that the pension proposed for the official leaving of his own volition was more generous than strict interpretation of the rules would require; and that in the other case, in which the immediate pension payable would be on a more advantageous basis, it was in the Bank's interest that the individual concerned should leave the Service in order to fill a particular position overseas and that the broad terms had been settled two years ago.

G

The Governor commented on the weekly Figures and the state of the markets.

The following were submitted and approved -

1. The Quarterly Report of the Audit Committee.
2. A Report of the Committee on Permanent Control of Expenditure.

A statement of the Overseas Trade Figures for October was laid before the Court: a discussion in general terms on the underlying state of the economy followed.

The following were also laid before the Court -

1. The monthly Banking Figures as at the 19th October.
2. A statement of a forthcoming secondment.

The Governor reported that the Committee of Treasury had that morning discussed the question of senior salaries and had recommended that the study of Court remuneration undertaken in 1973 should be updated and that Sir Adrian Cadbury and Mr. Blunden should be asked to carry out the review and to report their findings. The Court approved the proposal.

The Deputy Governor, having declared his interest and that of the Executive Directors, spoke about the intention to revise the present Court Pension Scheme and, in referring to the need to establish a formal Trust, he drew attention to certain provisions of an interim Trust Deed.

Secretary

24th November 1977.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 24TH NOVEMBER 1977

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 George Adrian Hayhurst Cadbury
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
Christopher William McMahon, Esq.
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

The following were read and approved -

1. A Minute of the Committee of Treasury on a senior appointment.
2. A Minute on appointments recommended by the Governors.

A statement of the Unemployment Figures for November was laid before the Court.

With reference to a Minute of the 22nd September regarding the Wilson Committee of Inquiry into the operation of the country's financial institutions, the Governor spoke about a supplementary paper recently prepared by the Bank at the request of the Committee. He reported that the Bank had been invited to give oral evidence on the 6th December and that the Wilson Committee had now asked for some further papers in connection with stage two of their inquiry.

The Governor also spoke about the commencement of discussions with a delegation from the International Monetary Fund, which would visit the Bank in the following week.

B. Ch. H.

Secretary.

1st December 1977.

Believe me of Staff.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 1ST DECEMBER 1977

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

John Martin Clay, Esq.

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

Christopher William McMahon, Esq.

Lord Nelson of Stafford

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

The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly Figures and the state of the markets, including the reaction to the 2% increase in the Bank's Minimum Lending Rate arising from the outcome of the Treasury Bill tender on the previous Friday.

A Report of the Staff Committee covering the Chief of Establishments' review of Premises and the Technical and Services Staff was laid before the Court.

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

PH

A Deed of Variation and two Underleases relating to tenancies at New Change;

Four Forms of Discharge relating to part of the security for the standby facility granted to the Ionian Bank;

the Court approved thereof and

ORDERED

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

With reference to a Minute of the previous week, the Deputy Governor spoke about the course of the discussions with the delegation from the International Monetary Fund.

The Deputy Governor also spoke to the Court about the report of the Pay Committee of Inquiry into the circumstances which had led to the Crown Agents for Oversea Governments and Administrations requesting financial assistance from the Government in 1974, which would be published that day, together with the report by the Stevenson Committee on the Crown Agents. At the same time, the Government would be issuing a statement on the Pay Committee report. He said that it was now the intention of the Government to set up a further inquiry into individual responsibility for the mistakes and losses that had occurred.

With reference to Minutes of the 7th July and earlier, the Deputy Governor referred to the publication of the Government's Reply to the Report from the Select Committee on Nationalised Industries on the Bank of England.

At the Deputy Governor's invitation, Mr. Blunden reported that the Minister of State at the Department of Employment had received a deputation from the Staff Organisation on the subject of the current situation

PH

affecting the London Allowance payable to Bank staff and had undertaken to consider the matter.

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

The Deputy Governor commented in general terms on the Official Reserves figures for the end of November which were due to be published the following afternoon.

D
Hancock
Asst Secretary
8th December 1977

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH DECEMBER 1977

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 George Adrian Hayhurst Cadbury
John Christopher Roderick Dow, 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
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

A statement of Official Reserves at the end of November and the monthly report on Exchequer Finance were laid before the Court.

A Minute of the Committee of Treasury on a senior appointment was submitted and approved.

At the Governor's invitation, Mr.Blunden spoke to the Court about the following matters -

CG

1. The loss of 33 £5 notes at the Printing Works and the outcome of the resultant investigation.
2. The Staff Organisation's claim under Schedule 11 of the Employment Protection Act for comparability of treatment with staff in the clearing banks, in relation particularly to the London Allowance, profit sharing and cars for Administrative Staff.

The Governor invited Mr. Dow to speak on the concluding Assessment of the December edition of the Quarterly Bulletin and a discussion followed.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered and approved by a Resolution on the 1st December was laid before the Court.

The Governor informed the Court of his attendance upon the Wilson Committee earlier in the week to present the Bank's oral evidence; and he referred briefly to the developments following the publication of the Fay Committee report on the Crown Agents.

H. G. Jones
Secretary.

15th December 1977.

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH DECEMBER 1977

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 George Adrian Hayhurst Cadbury
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 Lina, Esq.
Christopher William McMahon, Esq.
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets.

The following were laid before the Court -

1. A statement of the Overseas Trade Figures for November.
2. The monthly Banking Figures as at the 16th November.
3. A Department of Trade press notice relating to the latest survey of export prospects to mid-1978.

With reference to Minutes of the previous week and earlier concerning the Fay Committee report, the Governor mentioned that the further inquiry into

105

individual responsibility for the mistakes and losses of the Crown Agents would be held in public under the Tribunals of Inquiry (Evidence) Act, 1921.

With reference to Minutes of the 1st December and earlier, it was reported that it now seemed unlikely that the Government's Reply to the Report from the Select Committee on Nationalised Industries on the Bank would be published before the New Year. In the meantime, the Select Committee had intimated that they wished to undertake a further examination of the Bank.

With regard to a Minute of the 17th November, and after reference had been made to the individual interests concerned, the Deputy Governor referred to the need for a decision on whether the members of the new Court Pension Scheme should be contracted in or out of the upper tier of the new State Scheme. He explained the underlying situation, including that relating to abatement, and said that those concerned in this matter had been consulted and that all, including himself, were agreeable to full participation in the new State Pension Scheme on the basis proposed. The Court approved the course of action outlined.

The Governor spoke to the Court about the recent meetings held at the Bank for International Settlements.

H. G. ...

Secretary.

22nd December 1977.

See.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND DECEMBER 1977

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.
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
Lord Weir

The Minutes of the last Court, having been circulated, were approved.

The Governor commented on the weekly figures and the state of the markets and also spoke in particular about the relationship of the U.S.dollar to sterling in the light of recent turbulence in the foreign exchange markets; a discussion followed.

The Governor sought the views of Members on the question of shortages of skilled labour in industry. Consideration was then given to the following items which were laid before the Court -

1. A statement of the Unemployment figures for December.
2. A Report of the Staff Committee on Banking Staff wastage.

At the Governor's invitation, Mr. McMahon spoke about certain alterations in exchange control rules which would come into effect shortly. The decision to make these changes followed discussions between the United Kingdom Government and the Commission of the European Communities about E.E.C. provisions for liberalising capital movements.

With regard to Minutes of the 8th December and earlier, the Governor referred to the recent publication of the Wilson Committee's progress report on the financing of industry and trade.

The Governor also spoke to the Court about -

1. New fixed rate sterling export and shipbuilding schemes, due to come into operation next April, together with revised arrangements for continuing the present schemes until existing commitments were repaid.
2. The Chancellor of the Exchequer's recent Letter of Intent to the International Monetary Fund.
3. The publication in "Tribune" of extracts from a confidential internal Bank discussion paper written by a contract economist.

The Governor introduced a report on the Bank's Public Information Services which had resulted from an internal review by a Working Party charged with the task of examining present arrangements and recommending how they might be better co-ordinated. The Court were in favour of the suggestions for the improvement of existing services outlined in the paper submitted to them and agreed that steps should be taken to proceed on the lines recommended.

D
P. Henokes
First Secretary
5th January 1978

Balance of Repaid

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 29TH DECEMBER 1977

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

Leopold David de Rothschild, 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 Minutes of the last Court, having been circulated, were approved.

The Deputy Governor commented on the weekly figures and the state of the markets.

The following were laid before the Meeting -

1. The Quarterly Analysis of Bank Advances as at the 16th November.
2. A statement of a forthcoming retirement.

With regard to Minutes of the 15th December and earlier, the Deputy Governor referred to the Government's Reply to the Report from the Select Committee on Nationalised Industries on the Bank, which had been published on the previous Friday.

The Deputy Governor also spoke in general terms about developments regarding securities regulation.

J. Hancock
Asst Secretary
5th January 1978

John Standish Fforde

