



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 4TH JANUARY 1979

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor
Sir Jasper Quintus Mollom, 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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Christopher William McMahon, Esq.
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.

The Minutes of the Court of the 21st December 1978 were confirmed and those of the Meeting of the 28th December 1978, which had also 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 December was laid before the Court.

The Governor spoke to the Court on the following matters -

1. With reference to Minutes of the 7th December 1978 and earlier, the failure of the European Monetary System to start on the planned date.
2. The forthcoming meetings at the Bank for International Settlements, some of which would be attended by Eastern European Central Bankers.
3. The present economic and financial situations in Turkey and Iran.

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At the Governor's invitation -

1. Mr. Blunden advised the Court of an industrial dispute affecting the catering contractors at the Printing Works.
With reference to Minutes of the 21st December 1978 and earlier, he also reported that there had been no further developments following the Union's decision to instruct their members to withdraw from co-operation with the Bank in all measures designed to improve efficiency or to increase productivity.
2. Members expressed views on matters affecting the domestic economy.

A letter from Messrs. McGrigor, Donald & Company having been submitted with two documents to be sealed -

Two Employer/Sub-Contractor Agreements, in duplicate, relating to the new Glasgow Agency

the Court approved thereof and

ORDERED

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

H. J. G. H.
Secretary

11th January 1979

S. L.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 11TH JANUARY 1979

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.
Geoffrey Ayrton Drain, Esq.
John Standish Ffordé, Esq.
Sir Hector Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir David Edward Charles Steel, D.S.O., M.C.
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 Economic Report for December was introduced by the Governor who invited Mr.Dow to speak: a discussion followed in which Members commented on the effects of the present industrial action on their companies' activities.

A Report of the Staff Committee on the subject of pay was submitted. This contained the proposal that the Bank should establish and maintain a well ordered external pay review and went on to suggest that an approach should be made to the Civil Service Pay Research Unit for the purpose. After a discussion of the issues raised, in which views were expressed in favour of adopting the course proposed and, on the other hand, for the exercise of caution

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before agreeing to commit the Bank to such a step, it was left that consideration of the matter would be resumed at the following Court.

With reference to a Minute of the previous week, at the Governor's invitation Mr. Blunden reported that the industrial dispute affecting the catering contractors at the Printing Works had been settled quickly.

The following were laid before the Court

1. The Monthly report on Central Government Finance.
2. A statement of forthcoming retirements.
3. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 4th January.

With reference to a Minute of the previous week, the Governor spoke to the Court about the recent meetings held at the Bank for International Settlements.

W. Blunden

Secretary

18th January, 1979.

John

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 18TH JANUARY 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir David Edward Charles Steel, D.S.O., M.C.

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 December 1978.
2. The monthly Money and Banking Figures as at the 13th December 1978.
3. The quarterly analysis of Bank Advances as at the 15th November 1978.

With reference to a Minute of the previous week, the Court resumed their consideration of a Report of the Staff Committee on the subject of pay. In the course of a wide-ranging discussion on the question of the use of a comparability study and, in particular, on the possibility of approaching the Civil Service Pay Research Unit for that purpose, as had been suggested by the Staff Committee, it was pointed out that that body was a fact-finding organisation and not one which made recommendations. Mention was made of the loss of independence which could nevertheless occur as a result of forging such a direct link, and also of the finely balanced situation on pay questions that at present existed in the Bank between management on the one hand and the union on the other. In concluding that a comparability study would be necessary for the forthcoming, and for subsequent, pay negotiations, the Court agreed that exploration should be undertaken of the feasibility of establishing an independent study, by appointing an assessor who, it was hoped, might be able to draw on data accumulated by the Civil Service Pay Research Unit. It was left that a positive proposal, so far as possible on those lines, which could also deal with the level of London Allowance for Bank staff, should be formulated and be submitted to the Court at the earliest opportunity.

With reference to Minutes of the 7th December 1978 and earlier regarding the Bank's evidence to the Wilson Committee, a paper on the subject of the rôle of the non-executive Directors of the Bank was submitted and, subject to some minor drafting amendments, met with the Court's general approval.

With reference to a Minute of the previous week, the Governor invited Members to speak about the current industrial situation, and a brief discussion followed.

K. H. ...
Secretary.
25th January 1979.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 25TH JANUARY 1979

Present

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

George Blunden, Esq.
Sir Robert Anthony Clark, D.S.C.
John Martin Clay, Esq.
John Christopher Roderick Dow, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
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 Minutes of the previous week and earlier, the Governor invited Members to comment on the current industrial situation: and there was also a brief discussion on the question of the potential drain on companies' liquidity.

The following were laid before the Court -

1. A statement of the Unemployment Figures for January.
2. A statement of forthcoming retirements.

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The following were read and approved -

1. A Minute of the Committee of Treasury on senior appointments.
2. A Minute on an appointment recommended by the Governors. It was noted that this appointment superseded one approved by the Court of the 8th June 1978 and that a further recommendation regarding the member of staff earlier appointed would be submitted to the Court in due course.

With reference to Minutes of the previous week and earlier, Mr. Blunden spoke to the Court about a draft of a proposal to be made to the union for the establishment of an independent comparability study. In the course of discussion certain amendments were suggested and, in particular, the need to emphasise the intention to rectify adverse comparisons at recruitment levels and then to erect thereon a satisfactory structure of differentials. It was agreed that the Executive Directors should be invited to consider the drafting of the paper in the light of comments which had been made and that a further version would be submitted to Members shortly.

The Court then considered whether the approved version of the proposal should be offered, in the first instance, to the union or whether H.M. Treasury, as the Bank's sponsoring department on pay matters, should first be consulted on the matter. It was agreed that, in view of the delicate state of staff relations, the need to avoid precipitating any further degree of non-co-operation by the union, and the fact that the Court had decided that a comparability study should be undertaken and would be necessary for the purpose of this year's pay negotiations, the Bank should seek without delay to reach agreement with the union on the issue of the study; but that the Chancellor of the Exchequer should be advised in advance of the intended course of action.

With reference to a Minute of the 3rd August 1978 regarding the failure of the application by the Burmah Oil Company Limited to compel the Bank to produce certain policy

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documents relevant to Burmah's action against the Bank, the Governor mentioned that the Court of Appeal had recently upheld, by a majority of two to one, the earlier ruling on Crown Privilege.

H. G. ...
Secretary.

Letter of Staffed

1st February 1979.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 1ST FEBRUARY 1979

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 Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.
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 regard to Minutes of the previous week and earlier, the Governor referred to the possible effect of the disruption of production on the liquidity of companies, and a discussion on aspects of the present industrial situation followed.

CG

A Minute of the Committee of Treasury on the calling in of certain £1 and £10 notes was read and approved.

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 recommending certain gratuities was submitted and approved.

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

1. An industrial dispute at the Printing Works involving Production Assistants.
2. The Bank's cash limit for 1979/80 which had recently been agreed with H.M. Treasury.

The following were laid before the Court -

1. A Report of the Staff Committee covering the Chief of Establishments' review of General Staff Administration and Training.
2. A Report from Lord Weir and Mr. Drain on their visit to the Bristol Branch.

The Governor spoke about the recent meeting at the Bank with the Panel of Academic Consultants.

With reference to Minutes of the previous week and earlier regarding the question of the establishment of an independent comparability study, a revised draft of the proposed note to be sent to the union was submitted to the Court, together with a copy of a letter which the Governor had written to the Chancellor of the Exchequer on the subject. It was mentioned that although a reply had not yet been received, officials at H.M. Treasury were already considering it but that they were unlikely to draft a reply until they

had completed the preparation of general guidelines on the application of the Prime Minister's recent announcement about comparability with private sector analogues. With regard to the union, the risk of immediate escalation of non-co-operation was now felt to have receded because H.M.Treasury had agreed to see representatives of the union, at the latter's request. Although no date had yet been fixed for such a meeting, the Court viewed the prospect with some disquiet.

The Court then considered the questions of the time pressures and also of the confrontation that could occur whatever course it was decided to pursue. A long discussion ensued in which Members expressed the view that, on balance, there were good grounds for proceeding with the proposed comparability exercise, in spite of the difficulties and problems that could arise from such a move. It was felt that there was a need for the Bank to take the initiative, and to be seen to be doing so by both the union and the staff; and it was also considered that a move to establish a comparability study would not in itself be an irrevocable act.

It was left that the Governor would consider the next step to be taken and would revert to the subject at the following Court.

B. C. Hoyle
Secretary
8th February 1979.

MR *8/2/79*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH FEBRUARY 1979

Present

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

George Blunden, Esq.

John Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Sir Hector Laing

Sir John Maurice Laing

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 Governor went on to speak about the options which were open following the upward movement of market interest rates in response to developments in the domestic economy. It was his view that an increase in Minimum Lending Rate should now be made, not only in recognition of that rise, but with the further intention of supporting the Government's policy of monetary restraint. Accordingly, and with the approval of the Chancellor of the Exchequer, he proposed that there should be a change in the Bank's Minimum Lending Rate from 12½% to 14%: and this was approved.

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The following were laid before the Court -

1. A statement of Official Reserves at the end of January.
2. The monthly report on Central Government Finance.

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

Arising from the Annual Review of Staff, a recommendation by the Governor on a senior appointment was read and approved.

With reference to a Minute of the previous week, at the Governor's invitation Mr. Blunden reported that the industrial dispute at the Printing Works had now been resolved and that normal working had been resumed.

Arising therefrom, and with reference to a Minute of the previous week regarding the decision to call in certain £1 and £10 notes, the Governor mentioned that it had been decided to postpone publication of the notice of recall.

With reference to Minutes of the previous week and earlier regarding the question of the establishment of an independent comparability study, the Governor reported that the Chancellor of the Exchequer had responded to his letter on the subject. The Court then considered a draft of a reply and concluded that, while it would be important to emphasise that any discussions on the issue should not be conducted on a tripartite basis between the Bank, the union and H.M. Treasury, it would be preferable to address a shorter letter to the Chancellor which included the point that the Bank had now started to enter into negotiations with the union.

The Governor spoke to the Court about the speech which he had given at the Annual Banquet of the Overseas Bankers Club on the subject of international banking and its place in the international monetary system.

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The Governor reported that H.M. The Queen had been pleased to approve the re-appointment to the Court of Lord Nelson, Mr. de Rothschild, Mr. Clay and Sir Hector Laing. They would each serve for further terms of four years from the 1st March 1979.

H. Laing

Secretary

15th February 1979.

Lee

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH FEBRUARY 1979

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.
Sir Hector Laing
Sir John Maurice Laing
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.

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, he also mentioned the reactions of the banks, building societies and the press to the recent increase in Minimum Lending Rate.

The Governor went on to speak about the heavy purchases by the public of gilt edged securities during the past week, which had resulted in sharp pressure in the money markets and on the reserve asset position of the banking system. Accordingly, he proposed, with the approval of the Chancellor of the Exchequer, a release and recall



of Special Deposits: the repayment to be the equivalent of 2% of eligible liabilities and to be made on the 19th February to banks (other than those in Northern Ireland) and to deposit taking finance houses; and the rate of call to be restored to 2% with effect from the 9th March and to 3% with effect from the 30th March. This was approved. The Governor emphasised that this operation was a technical smoothing measure and would not undermine the constraint which the Supplementary Special Deposits Scheme would continue to impose on the trend in bank lending.

The following were laid before the Court

1. A statement of the Overseas Trade Figures for January.
2. The monthly Money and Banking Figures as at the 17th January.

A Minute of the Committee of Treasury on the remuneration of an Executive Director and, arising from the Annual Review of Staff, on an award of Personal Pensionable Salary was read and approved.

The following were also submitted and approved

1. The Quarterly Report of the Audit Committee and Annual Review of the Audit Division programme.
2. The Annual Review of the work of the Audit Committee.
3. The Quarterly Report of the Committee to consider the Securities of Certain Funds.

With reference to Minutes of the previous week and earlier regarding the question of the establishment of a comparability study, the Governor reported that a revised form of reply on the subject had been sent to the Chancellor of the Exchequer and that a paper proposing the joint sponsorship of an independent assessment of relevant current starting remuneration in analogous private sector organisations had been given to the union. At the Governor's invitation, Mr. Blunden advised the Court of initial reactions by both the union and the staff to the proposal.

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The Governor spoke to the Court about the recent monthly meetings held at the Bank for International Settlements, and also about the address which he had given at the Financial Times World Business Conference in Frankfurt and his speech at the annual dinner of the Birmingham Centre of the Institute of Bankers.

The Deputy Governor spoke about a forthcoming appeal to be launched on behalf of INSEAD and said that Mr. Blunden had agreed to be nominated to serve as its Honorary Treasurer.

W. H. Young

Secretary

22nd February 1979.

M

22/2/79

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND FEBRUARY 1979

Present

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.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Sir Hector Laing

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

The following were laid before the Court -

1. A statement of the Unemployment Figures for February.
2. A statement of Accounts of the Bank Provident Society for the year ended the 30th November 1978.
3. A statement of forthcoming retirements.

With reference to an Order of Court of the 1st March 1946, on the Deputy Governor's proposal it was agreed that the election of the Committee of Treasury for the ensuing year be held that day: voting for the election of the Committee then took place.

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The Deputy Governor spoke to the Court about an actuarial valuation of the Pension Fund as at the 28th February 1978 which, on the basis of the financial assumptions used on the occasion of the last valuation in 1975 and after certain minor adjustments had been made, produced a surplus of £20.9 million. Such a surplus could be used to reduce the average rate of contribution for future service from 23.4% of salary to 21.7%. However, the Actuary had pointed out that the calculations were relatively sensitive to the assumptions made about dividend growth in the future. The Trustees of the Pension Fund had therefore suggested that the assumption of dividend growth should be altered from 4% to 3½% and that the contribution rate be kept unchanged at 23.4%. The Deputy Governor said that the Committee of Treasury had concurred with these views. The Court approved the basis of the valuation which had been adopted and the course of action proposed.

At the Deputy Governor's invitation, Mr. Elunden reported on the following matters

1. With reference to Minutes of the 29th June 1978 and earlier, the progress of the Selective Early Pension Scheme. He said that 70 early pension offers had now been accepted, with leaving dates spread over the period up to August 1980.
2. With reference to Minutes of the previous week and earlier, developments regarding the proposed comparability study for pay negotiations. After speaking about a recent discussion with officials of H.M. Treasury on the subject and the union's attitude to the proposal, he mentioned two other factors which could exacerbate relations with the union.

At the Deputy Governor's invitation, Mr. Drain spoke about the joint document produced by 12 members of the Trades Union Congress General Council on the

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subject of pay determination, and entitled "A Better Way", and drew attention to some of the aspects in which the paper differed from the agreement recently reached between the Government and the Trades Union Congress.

[Handwritten signature]

Secretary.

[Handwritten initials]

1/3/79

1st March 1979.

COURT OF DIRECTORSFor the year ending the 29th February 1980

<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
Deputy Governor	15. 3.79	†Lord Nelson of Stafford
		Sir John Maurice Laing
		The Rt.Hon.Lord Robens of Woldingham
Deputy Governor	15. 2.79	†Leopold David de Rothschild, Esq.
		Sir George Adrian Hayhurst Cadbury
		John Standish Fforde, Esq.
		Christopher William McMahon, Esq.
		Lord Weir
Deputy Governor	15. 2.79	†John Martin Clay, Esq.
		John Christopher Roderick Dow, Esq.
Deputy Governor	15. 2.79	†Sir Hector Laing
		Sir Lionel Alexander Bethune Pilkington, F.R.S.
		George Blunden, Esq.
		Sir Robert Anthony Clark, D.S.C.
		Sir David Edward Charles Steel, D.S.O., M.C.
		Geoffrey Ayrton Drain, Esq.
		† Reappointed 1st March 1979.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 1ST MARCH 1979

Present

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

George Blunden, Esq.

Sir Robert Anthony Clark, D.S.C.

John Martin Clay, Esq.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, Esq.

Sir Hector Laing

Sir John Maurice Laing

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

The Deputy Governor went on to observe that since Minimum Lending Rate had been raised to 14% on the 8th February, short-term market rates of interest had fallen, there had been heavy sales of gilt-edged stocks and the sterling exchange rate had been particularly strong. It was his view that a reduction in Minimum Lending Rate should now be made, not only in recognition of the fall in market rates, but, consistent with the policy of monetary restraint, with the further intention of trying to establish a pattern of stability for the period ahead. Accordingly, and with

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the approval of the Chancellor of the Exchequer, he proposed that there should be a change in the Bank's Minimum Lending Rate from 14% to 13%: and this was approved.

With reference to a Minute of the 15th February regarding a release and recall of Special Deposits, and in particular to the recall due to take effect on the 9th March, the Deputy Governor proposed that, in view of the prospect of recreating acute stringency in the money market if it were made, the Court should give the Governors discretion either to postpone or to cancel the aforementioned recall. This was approved.

The Deputy Governor spoke to the Court about the two recent Government stock issues, both of which had been heavily over-subscribed. He also commented on the arrangements for handling new issues in the Bank.

The Deputy 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
SIR ADRIAN CADBURY

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

1. The appointment of Standing Committees, etc., for the ensuing year.
2. The granting of an ex gratia payment on retirement.

The Deputy Governor spoke about the recently announced intention to issue a £50 note, which would bear a portrait of Sir Christopher Wren on the reverse.

B. C. Hoyle
Secretary

8th March 1979

M 8/3/79

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH MARCH 1979

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

John Christopher Roderick Dow, Esq.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, Esq.

John Standish Pforde, Esq.

Sir Hector Laing

Sir John Maurice Laing

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

The Rt.Hon.Lord Robens of Woldingham

Sir David Edward Charles Steel, D.S.O., M.C.

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 also mentioned the reactions of the press and the money market to the recent reduction in Minimum Lending Rate.

With reference to Minutes of the previous week and earlier, the Deputy Governor said that it had been decided, with the approval of the Chancellor of the Exchequer, to cancel the recall of Special Deposits due on the 9th March and amounting to 1% of eligible liabilities.

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The following were laid before the Court -

1. A statement of Official Reserves at the end of February. It was noted that the Official Reserves would be revalued at the end of March, and annually on the 31st March thereafter.
2. A statement of forthcoming retirements.

The current paper on World Payments Trends was introduced by the Deputy Governor who invited Mr. Dow to speak. Mr. Dow also commented on the concluding Assessment of the March edition of the Quarterly Bulletin due to be published the following week: a discussion on these matters followed.

A Report of the Committee on Permanent Control of Expenditure, which contained a recommendation that the Committee's Terms of Reference be amended in one respect, was submitted and approved.

With reference to a Minute of the previous week, the Deputy Governor spoke about two categories of complaints regarding the recent, and heavily over-subscribed, issues of Government stock. Two firms of stockbrokers had lodged a formal complaint with the Council for the Securities Industry about the handling of the new issues, and the Council had set up a committee to investigate it. Another source of complaint had been investors whose postal applications, although despatched by first-class post on the previous day or even earlier, had not been delivered to the Bank until 11.30 a.m. on the morning on which lists had been opened and closed.

At the Deputy Governor's invitation, and with reference to Minutes of the 22nd February and earlier, Mr. Blunden spoke about a recent meeting with the union's

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General Purposes Committee on the subject of the proposed pay comparability study when Sir Hector Laing and he had sought to persuade the union of the genuineness of the Court's wish to correct the distortions created by pay policy as quickly as possible. He said that subsequently the Committee had decided unanimously to recommend to the union's Executive Council that the present ban on co-operation with the Bank on measures designed to increase productivity and efficiency should be suspended in order that negotiations on the Bank's proposals might be initiated.

The Deputy Governor informed the Court that, in the course of informing himself on different aspects of business affairs, H.R.H. The Prince of Wales planned to visit certain institutions in the City and would spend the 23rd May at the Bank.

H. Laing

Secretary

15th March 1979.

Len.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH MARCH 1979

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.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
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 Governor went on to say that conditions in the short-term money markets and the reserve asset position of the banking system were expected for a time to remain under substantial pressure, associated with the recent very large official sales of central Government debt. Accordingly, he 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

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and to be made on the 19th March; a recall of 1% was due (and had been approved by the Court of the 15th February) to take effect on the 30th March and a further recall of 1% of eligible liabilities would be made to take effect on the 23rd April. This was approved. The Governor emphasised that, as on earlier occasions, this operation implied no change in monetary policy and was solely a technical market-smoothing measure.

The following were laid before the Court -

1. The monthly report on Central Government Finance.
2. A Report from Sir Maurice Laing and Sir David Steel on their visit to the Manchester Branch.

With reference to a Minute of the previous week, the Governor commented on the press coverage of the publication of the March edition of the Quarterly Bulletin.

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

With reference to Minutes of the previous week and earlier regarding the two recent Government stock issues, the Deputy Governor spoke about the hearing of the committee set up by the Council for the Securities Industry to investigate the formal complaint which had been lodged by two firms of stockbrokers. He mentioned that a paper had been submitted to the committee outlining ways in which the Bank intended to improve the facilities for handling new issues in future.

The Governor spoke to the Court about his recent visit to the United States for the meetings of the Interim Committee of the International Monetary Fund, and about the monthly meetings held at the Bank for International Settlements which had been much concerned with the commencement of the European Monetary System.

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With reference to Minutes of the previous week and earlier, it was reported that, having supported the recommendation of their General Purposes Committee, the union's Executive Council had instructed their members to resume co-operation with the Bank in productivity and efficiency measures. At the Governor's invitation, Mr. Blunden then spoke to the Court about a variation of the terms of reference for the comparability study which the union were seeking, and also about a list of names from which the Assessor might be chosen.

With reference to Minutes of the 25th January and earlier regarding the failure of the application by the Burmah Oil Company Limited to compel the Bank to produce certain policy documents relevant to Burmah's action against the Bank, the Governor mentioned that the Company had decided to appeal to the House of Lords against the courts' ruling on Crown Privilege.

At the Governor's invitation, Lord Nelson spoke about impressions gained during his recent visit to China.

H. H. H. H.

Secretary

22nd March, 1979.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND MARCH 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.
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 issue by tender of a new gilt-edged stock for which lists had closed that morning.

With reference to Minutes of the 8th March and earlier regarding a release and recall of Special Deposits, and in particular to the recall due to take effect on the 30th March, the Governor proposed that, in view of the prospect of continuing pressure in the money market, the Court should give the Governors discretion either to postpone or to cancel the aforementioned recall. This was approved.

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The following were laid before the Court -

1. A statement of the Unemployment Figures for March.
2. The monthly Money and Banking Figures as at the 21st February.
3. A statement of secondments.

With reference to Minutes of the previous week and earlier, the Governor commented on the report of the committee set up by the Council for the Securities Industry to inquire into the complaint about the handling of two recent Government stock issues. The Deputy Governor spoke about the facilities for dealing with new issues in the Bank and mentioned certain improvements in arrangements which had already been implemented.

A provisional statement of the estimated operating profit of the Banking Department for the year ended the 28th February 1979 was laid before the Court and, arising therefrom, a Minute of the Committee of Treasury on a payment to H.M.Treasury pursuant to Section 1(4) of the Bank of England Act, 1946, was read and approved.

A Minute of the Committee of Treasury on the appointment of a Special Committee to oversee the establishment of a new Scheme of Classification was read and approved.

The Governor spoke to the Court on the following matters -

1. An informal talk which he had given to senior partners of Stock Exchange firms the previous day.
2. With reference to Minutes of the previous week and earlier, the commencement of the European Monetary System and the position of the United Kingdom in relation to the new arrangements.

J.C. Gough

Secretary

29th March, 1979.

Len

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 29TH MARCH 1979

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.
John Standish Fforde, Esq.
Sir Hector Laing
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.
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, he also mentioned the press reaction to the issue by tender of £800 million 12½% Exchequer Stock 1999.

With reference to Minutes of the previous week and earlier, the Governor said that it had been decided, with the approval of the Chancellor of the Exchequer, that the recall of Special Deposits due to take effect on the 30th March, amounting to 1% of eligible liabilities, should now be payable on the 8th May.



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

The Governor spoke to the Court on the following matters -

1. An invitation to give oral evidence to Sub-Committee E of the Select Committee on Nationalised Industries in the following week. (The meeting in question had been cancelled that morning.)
2. His recent visit to Portugal.

The Deputy Governor commented on his meeting the previous day with the Chairmen of the London Clearing Banks.

At the Governor's invitation -

1. Sir Hector Laing and Sir Robert Clark spoke about impressions gained during their recent visits to the United States: a discussion followed.
2. Mr. Blunden reported that a member of the Printing Works Staff had been arrested for theft.

*for the Secretary
5th April 1979*

Lev.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 5TH APRIL 1979

Present

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

George Blunden, Esq.

John Christopher Roderick Dow, Esq.

Geoffrey Ayrton Drain, Esq.

John Standish Fforde, Esq.

Sir Hector Laing

Christopher William McMahon, Esq.

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

The Rt.Hon.Lord Robens of Woldingham

Sir David Edward Charles Steel, D.S.O., M.C.

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 March was laid before the Court and it was noted that the holdings had been revalued as at the end of that month.

The Governor went on to speak about the tension between the aims of domestic monetary policy on the one hand and exchange rate policy on the other and said that, in his view, a reduction in Minimum Lending Rate should now be made in response to the recent upward pressure

RH

on sterling in the foreign exchange market and the fall in short-term sterling rates of interest. Accordingly, and with the approval of the Chancellor of the Exchequer, he proposed that there should be a change in the Bank's Minimum Lending Rate from 13% to 12%: and this was approved. The Governor commented that the level of short-term rates now established was judged to be consistent with continuing domestic monetary restraint in the period ahead.

With reference to a Minute of the 17th August 1978, the Governor informed the Court that, after consultation with all available Members on the 3rd April, and 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 period of three months on an unchanged basis. The Court gave their formal approval to this measure.

The Governor spoke about the Chancellor of the Exchequer's Budget statement and the reactions of the press and the City to it.

The Annual Report of the Charitable Appeals Committee on Donations was submitted. A recommendation that two large gifts be made in response to recent appeals was approved but, in the absence of the Chairman of the Committee, it was decided to defer consideration of the rest of the Report.

With reference to Minutes of the 18th January and earlier, the Governor said that the Bank's "second stage" evidence to the Wilson Committee had recently been published. He mentioned that it was understood that one of the sub-Committees had been concerning itself with the function of the Court, and might be disposed to suggest that the Bank should be reconstituted with a Court of Executive Directors

D
KH

and some sort of advisory council of non-executive Directors. As it was possible that the Committee might seek to sound the views of some non-executive Directors about their rôle, it was suggested that it would be useful to have a general discussion at a subsequent Court on the functions of the non-executive Directors and the contributions they could make as Members of the Court.

The Governor also spoke to the Court on the following matters -

1. With reference to Minutes of the 23rd November 1978 and earlier, the Banking Bill which had completed its remaining stages earlier in the week and had received the Royal Assent the previous day.
2. The findings of the Joint Committee on Gilt-edged Settlements which had recently published the first part of its final report.
3. The successful visit of Dr. Bogoev, the Governor of the National Bank of Yugoslavia.

A letter from Messrs. McGrigor, Donald & Company having been submitted with a document to be sealed -

An Employer/Sub-Contractor Agreement, in duplicate, relating to the new Glasgow Agency
the Court approved thereof and

ORDERED

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

At the Governor's invitation -

1. Mr. Blunden reported that the unions at the Printing Works had decided to lodge a claim under Schedule 11 of the Employment Protection Act.
2. Mr. McMahon spoke about impressions gained during his recent visit to Sweden and Norway.

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

D. H. Knocks
Assistant Secretary
12th April 1979

Len.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 12TH APRIL 1979

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.
Sir Hector 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 David Edward Charles Steel, D.S.O., M.C.
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. The monthly report on Central Government Finance.
2. A Report of the Dehden Committee covering the General Manager's half-yearly review of the operation of the Printing Works.
3. A statement of forthcoming retirements.
4. A Certificate signed by the Secretary of the affixing of the Bank's Seal ordered on the 5th April.

The Deputy Governor informed the Court that, in connection with the litigation between Burmah Oil and the Bank it now seemed that it might be necessary to reveal extracts of any Minutes of the Committee of Treasury and Court relevant to the case. The Committee of Treasury had considered the matter and whilst they appreciated that the extracts concerned were not such as to cause any embarrassment, they were nevertheless concerned at the precedent that would be thus established. Accordingly, it was recommended that the implications be fully examined with the Bank's lawyers and the Minutes released only if they advised that there were no proper grounds for refusing.

With reference to a Minute of the 5th April the Deputy Governor reported that the sub-committee of the Wilson Committee which had been concerning itself with the function of the Court had now indicated that they would like to talk to as many non-executive Directors as possible about their rôle and had suggested that a meeting either before or after Court might be convenient for this purpose. The Governor considered that such a meeting would be extremely valuable and proposed that there should be a prior discussion in Court at which the opportunity might also be taken to discuss the advice that the Bank might wish to give the new Government.

At the Governor's invitation, Mr. McMahon spoke to the Court on the implications of higher oil prices for the world and U.K. economies.

h. c. [unclear]
Secretary
19th April 1979.

den.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 19TH APRIL 1979

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.
Sir Hector Laing
Sir John Maurice Laing
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.

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. The monthly Money and Banking Figures as at the 21st March.
2. The quarterly analysis of Bank Advances as at the 21st February.

G

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

The Governor mentioned that Sir David Steel had been invited to join the Board of Trustees of The Economist.

With reference to Minutes of the previous week and earlier regarding the Bank's evidence to the Wilson Committee, the Governor said that the good attendance at Court that day would provide a useful opportunity for an initial discussion about the rôle of the Bank's non-executive Directors, prior to the forthcoming meeting with the sub-committee of the Wilson Committee. Before inviting Members to express their views on the subject, the Governor observed that, in his opinion, any alterations to the rôle or the composition of the Court, on the lines suggested by the Trades Union Congress and the Fabian Society in their recent submissions to the Wilson Committee, would be highly damaging. A lengthy discussion then followed: and it was agreed to revert to the matter at the next Court.

J. H. G.

Secretary.

26th April 1979.

J. H. G.

A COURT OF DIRECTORS AT THE BANKON THURSDAY, THE 26TH APRIL 1979Present

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.
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.

6

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

At the Governor's invitation, Mr. Dow spoke to the Court about the forthcoming meeting with the Panel of Academic Consultants.

The Governor spoke to the Court on the following matters -

1. The successful visit of Dr. Bien, the President of the National Bank of Poland.
2. With reference to Minutes of the 12th April, the question of revealing extracts of Minutes of the Committee of Treasury and the Court relevant to the litigation between the Burmah Oil Company Limited and the Bank. He said that the Bank's lawyers had examined the implications and had now advised that the Bank could not resist disclosure of the particular documents on any grounds, although the Crown might wish to claim "public interest privilege" for certain parts of the disclosable extracts.

The Accounts of the Samaritan Fund for the year ended the 28th February 1979 were laid before the Court together with a Minute of the Committee of Treasury with a recommendation for a grant of £3,950.82 to the Fund: and the Court approved thereof. The Court also approved a further recommendation that the Governors should be empowered to authorise the elimination of end-year overdrafts on the Fund's account in future, subject to an annual limit of £5,000.

With reference to Minutes of the previous week and earlier regarding the Bank's evidence to the Wilson Committee, the Governor introduced a paper containing some draft speaking notes about the rôle of the non-executive Directors which had been prepared for the assistance of Members at the

forthcoming meeting with the sub-committee. In the course of a lengthy discussion, it was agreed that it would also be useful to have a background paper which described the rôle of non-executive Directors in other central banks. The Court then discussed the procedure to be adopted for the actual meeting with the sub-committee and it was left that further consideration would be given to this matter, on which the Senior Director would be consulted.

H. G. G. G.
Secretary

3rd May 1979.

See.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 3RD MAY 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.
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 statement of Official Reserves at the end of
April was laid before the Court.

G

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

With reference to a Minute of the 5th April, the Court again had before them the Annual Report of the Charitable Appeals Committee on Donations and considered the question of the future of the Bank's charitable giving policy. After a wide-ranging discussion, in which the view of the Committee of Treasury that charitable giving by the Bank, on a limited scale, was defensible was confirmed, it was agreed that a level of £60,000 per annum, to be adjusted to take account of inflation, would be an appropriate target; that the range of donations made should be critically examined; that suggestions that there should be a greater emphasis on giving at the Branches and that Agents should be granted discretion to make larger individual donations also be examined; that the question of support for business schools and university chairs should not come within the purview of the Charitable Appeals Committee; and that the remaining recommendations contained in the Report be approved.

With reference to Minutes of the previous week and earlier regarding the Bank's evidence to the Wilson Committee, at the Governor's invitation Lord Nelson reported that he had been in contact with Sir John Prideaux, the chairman of the sub-committee which had been concerning itself with the functions of the Court, who would shortly submit a list of the questions likely to be raised at the forthcoming meeting. It was agreed to propose that the meeting with the Wilson sub-committee should take place at 9.30 a.m. on Thursday, the 24th May, with all available non-executive Directors attending and it was also suggested that Directors should consider the procedure to be adopted at the meeting either at Court on the 17th May or, perhaps, beforehand.

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The Governor spoke to the Court about his meeting the previous day with the chairmen of the London Clearing Banks.

On the Governor's proposal, it was agreed that Court should, in future, meet at 11.30 a.m. each Thursday.

The Governor said that the good attendance at Court that day had presented a particularly suitable opportunity for a discussion about monetary policy and he introduced papers on Problems of Monetary Control and The Gilt-Edged Market. He mentioned that the former had been prepared for the use of incoming Ministers in the event of a change of Government, while it was intended in due course to publish the paper on the management of the gilt-edged market, which was still in draft form. He then invited Mr. Fforde to speak about them; and a discussion followed.

Kilgough
Secretary.

10th May 1979.

Mr. Colson

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 10TH MAY 1979

Present

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

George Blunden, Esq.

Sir George Adrian Hayhurst Cadbury

John Christopher Roderick Dow, Esq.

Sir Hector Laing

Sir John Maurice Laing

Christopher William McMahon, Esq.

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 Committee to consider the Securities of Certain Funds, which contained a proposal that the Pension Fund should be authorised in principle to refinance up to £10 million of its portfolio of overseas investments by means of foreign currency borrowing, was submitted and approved.

A Report of the Staff Committee on Pensions was also submitted. The Court endorsed the recommendations for improvements in pension benefits, as a basis for negotiation with the union, with the proviso that, in regard to the proposal for the enhancement in the deferred period of deferred pensions granted before the 1st March 1974, the effective date, for purposes of negotiation, be regarded as the 1st March 1979.

A statement of forthcoming retirements was laid before the Court.

With reference to Minutes of the previous week and earlier regarding the forthcoming meeting of all available non-executive Directors with the Wilson sub-committee, the Deputy Governor said that he had been informed that the proposed date of the 24th May would not be convenient for the sub-committee. The best prospect for the meeting now seemed to be the afternoon of Tuesday, the 29th May. A set of papers which gave some information about the functions and status of non-executive Directors in other central banks in the Group of Ten countries was laid before the Court.

At the Deputy Governor's invitation, Mr. McMahon spoke to the Court on the following matters -

1. The recent meetings held at the Bank for International Settlements.
2. The latest monthly synopsis of developments in the major six overseas economies.

W. G. ...
Secretary.
17th May 1979.

W. G.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 17TH MAY 1979

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.
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir David Edward Charles Steel, D.S.O., M.C.

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. The monthly Money and Banking Figures as at the 18th April. It was noted that the seasonally adjusted figures of the money stock had recently been revised, following the regular annual updating of the adjustments.
2. A Report of the Staff Committee covering the Chief of Establishments' annual review of Salary Policy and Fringe Benefits.

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

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

With reference to Minutes of the previous week and earlier regarding the forthcoming meeting of all available non-executive Directors with the Wilson sub-committee, the Governor said that Sir John Prideaux, the chairman of the sub-committee, had put forward a list of possible questions which might be raised and that Lord Nelson had drafted a paper which indicated the line that might be taken by Directors. The Court then considered the procedure that might be adopted for the meeting and it was agreed that on the 24th May Members should meet at 11 a.m. in order to devote time to the whole matter and that Court that day should commence at 12 noon.

The Governor spoke to the Court about the recent dinner given by the Prime Minister for the Chancellor of the Federal German Republic.

H. J. G. J.

Secretary.

24th May 1979.

J. L.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 24TH MAY 1979

Present

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

Sir Robert Anthony Clark, D.S.C.
John Christopher Roderick Dow, Esq.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.
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 Governor spoke to the Court on the following matters -

1. A press report that Mr.G.R.Walsh would shortly succeed Mr.D.C.Macdonald as director general of the Panel on Take-overs and Mergers.
2. With reference to a Minute of the 8th March, the visit to the Bank of H.R.H.The Prince of Wales the previous day.

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With reference to a Minute of the 3rd May regarding a discussion on monetary policy, the Governor said that it would now be timely to follow that up with a discussion about exchange rate policy. He then introduced a paper which gave some account of recent developments in the sterling exchange rate, and some of the policy issues involved in managing it, and invited Mr. McMahon to speak: a discussion followed.

de la Roche
Secretary.

See.

31st May 1979.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 31ST MAY 1979

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
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.
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 regard to Minutes of the 17th May and earlier, at the Governor's invitation Sir Maurice Laing spoke about the recent meeting of the available non-executive Directors with the sub-committee of the Wilson Committee which was concerning itself with the functions of the Court. Other Members who were present at the meeting also commented on the proceedings. The Governor said that it seemed to have been a very satisfactory meeting: and he then referred to the general question of the future of the Wilson Committee and of the inquiry which it was conducting.

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The Governor spoke to the Court on the following matters -

1. The address given in the Bank by M.André de Lattre, President-Directeur General, Credit National, the previous Thursday.
2. His recent meetings in the Bank with the Financial Secretary to the Treasury and the Chancellor of the Exchequer.
3. The meeting of the City Liaison Committee the previous day.

The current paper on World Payments Trends was introduced by the Governor who invited Mr.McMahon to speak: a discussion followed on the questions of oil supply and price and alternative sources of energy.

Figures relating to the operating profit of the Banking Department for the year ended the 28th February 1979 were laid before the Court and the Deputy Governor spoke about them and about the possible size of the final payment to be made to H.M.Treasury. It was agreed that, in view of the need, and the opportunity this year on tax grounds, to make a substantial addition to reserves, it would be desirable to seek agreement to pay the smaller amount indicated by way of dividend. If that were not to prove acceptable, negotiation should be within the bracket in question.

A Report of the Staff Committee on an increase in pensions and allowances was submitted. The interests of the Governor, the Deputy Governor and certain executive Directors having been declared, the Report was approved.

With reference to Minutes of the 19th October 1978 and earlier regarding the intention of the Staff Organisation to appeal against the award of the Central Arbitration Committee on their claim, under Schedule 11 of the Employment Protection Act, for comparability of treatment in certain respects

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with staff in the clearing banks, it was reported that three judges, headed by the Lord Chief Justice, had now granted the Staff Organisation leave to challenge the dismissal of their application and that steps to facilitate an early hearing had been taken.

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

Belton
Secretary

Lee

7th June 1979

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 7TH JUNE 1979

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.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Sir Hector Laing

Sir John Maurice Laing

Christopher William McMahon, Esq.

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

The Rt.Hon.Lord Robens of Woldingham

Sir David Edward Charles Steel, D.S.O., M.C.

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 Official Reserves at the end of May.
2. The monthly report on Central Government Finance.

The Governor introduced the subject of this year's pay settlement, the details of which had recently been considered by the Reclassification Committee (1979), and said that it seemed that the Staff Organisation were

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anxious to reach agreement with the Bank prior to the announcement of the Budget proposals on the following Tuesday on the range of items summarised in a paper laid before the Court. He mentioned that although the total cost of implementation of the various proposals would be very high, it might prove to be cheaper to the Bank if there were to be a quick settlement. It would be the responsibility of the Court to reach a decision on this question, for which purpose it might be desirable to convene an additional meeting.

The Deputy Governor then outlined the various features of the proposed settlement, which included a new Scheme of Classification designed to restore differentials and to alleviate the effects of earlier tapering; the findings of the Assessor's report on comparability, which pointed to a figure in the 16% - 26% range for recruitment salaries, and where the union had shown a readiness to settle at 16%; two adjustments this year to the London allowance, over which Bank staff had fared badly by comparison with those in the clearing banks; an across-the-board award based on the increase in the retail price index between May 1978 and May 1979, forecast to be 10.3%; and, certain special subjects which included provision for group medical insurance for Supervisory and Administrative Staff. The cost to the Bank of these proposals would be phased over the period from July this year to March 1980.

In the course of a lengthy discussion, in which certain general misgivings were expressed, it was pointed out that although the scale of the proposed settlement would be disturbingly high, the Bank would be unlikely to benefit by postponing a decision on the matter. The Bank was committed to making adjustments to the London allowance and to negotiate on the findings of the comparability study, where it seemed that the union were prepared to accept the figure at the lower end of the bracket indicated by the

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Assessor's report. The cost of the restructuring would be a relatively small item and, on the grounds of staff morale, it was important to restore adequate differentials.

The Court concluded that it would be appropriate to proceed on the lines indicated in the paper submitted to them. In reaching that conclusion, they agreed that the presentation of this year's settlement called for careful consideration and that recruitment and the manpower situation generally in the Bank should come under close scrutiny, with a view to achieving substantial further economies, in the light of the new level of manpower costs.

Finally, the Deputy Governor gave an indication of the broad pattern he envisaged for the future salary levels of those senior staff above the bargaining unit and said that he would bring forward detailed proposals shortly. The general level of remuneration indicated was seen as acceptable.

A letter from Messrs. McGrigor, Donald and Company and a letter from Messrs. Freshfields having been submitted together with three documents to be sealed -

The Disposition and Lease, the latter in duplicate, relating to 22/24, St. Vincent Place, Glasgow;

An Underlease relating to a tenancy at Bank House, Newcastle,

the Court approved thereof and

ORDERED

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

H. G. ...
Secretary.

14th June 1979.

Sen.

A COURT OF DIRECTORS AT THE BANK

ON TUESDAY, THE 12TH JUNE 1979

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.

John Standish Fforde, Esq.

Sir John Maurice Laing

Christopher William McMahon, Esq.

Sir David Edward Charles Steel, D.S.O., M.C.

The Governor thanked Members for attending an additional meeting of the Court, convened at short notice. With reference to the Budget proposals which the Chancellor of the Exchequer would be outlining in the House of Commons that afternoon, he recalled that it had become evident in recent months that underlying monetary expansion had accelerated above the upper end of the target range of an 8-12% annual rate from mid-October 1978, mainly because high demand for bank credit was persisting. He also pointed to the unfavourable Overseas Trade Figures for the months of February, March and April, which had recently been published, and said that, having examined the situation and prospects, it was his view that, as an integral part of the Budget package, an increase in Minimum Lending Rate should now be made and that the Supplementary Special Deposits scheme be continued in order to help secure an early adjustment to slower monetary growth. Accordingly,

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and with the approval of the Chancellor of the Exchequer, he proposed that -

- (i) there should be a change in the Bank's Minimum Lending Rate from 12% to 14%:
- (ii) the operation of the Supplementary Special Deposits scheme should be continued for a further period of three months on an unchanged basis:

both measures to be announced in the course of the Chancellor's Budget speech that afternoon. This was approved.

With reference to a Minute of the previous Court regarding the proposals for this year's pay settlement, at the Governor's invitation Mr. Blunden reported that the Staff Organisation had accepted the Bank's offer.

B. Blunden
Secretary

Len.

14th June 1979.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 14TH JUNE 1979

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 Christopher Roderick Dow, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Sir Hector Laing

Christopher William McMahon, Esq.

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

The Rt.Hon.Lord Robens of Woldingham

Sir David Edward Charles Steel, D.S.O., M.C.

Lord Weir

The Minutes of the Courts of the 7th June and the 12th June, having been circulated, were approved. With regard to the Court of the 12th June, the Governor spoke again about the considerations underlying the measures then approved and announced that afternoon in the Chancellor of the Exchequer's Budget speech.

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 February, March and April.

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2. The monthly Money and Banking Figures as at the 16th May. A discussion on the control of bank lending, and the rôle played by the Bank's Minimum Lending Rate in this connection, then followed.

The Governor spoke to the Court about the sale of the new long-dated tap stock in the gilt-edged market the previous day and said that an inquiry would be made into certain aspects of the transactions which took place.

The Economic Report for May was introduced by the Governor who invited Mr. Dow to speak. Mr. Dow also commented on the concluding Assessment of the June edition of the Quarterly Bulletin due to be published the following week: a discussion on these matters followed.

The Governor referred to the Chancellor of the Exchequer's Budget proposals and, in particular, the relaxations in the Exchange Control. At the Governor's invitation, Mr. Blunden informed the Court of the staffing implications both at Head Office and at two of the Branches.

With reference to Minutes of the previous Court and earlier regarding this year's pay settlement, at the Governor's invitation Mr. Blunden spoke about the Staff Organisation's acceptance of the Bank's offer, an outline of which had since been communicated to H.M. Treasury.

The draft Accounts of the Bank, together with the Reports and Accounts of Slater, Walker Limited and EBS Investments Limited, both wholly-owned subsidiaries of the Bank, all for the year ended the 28th February 1979, were laid before the Court. After the Deputy Governor had spoken about the figures, in the course of which he mentioned that the auditors' report on the Accounts of Slater, Walker Limited had been qualified in one unimportant respect and that the negotiations on the level of the final payment to be made by the Bank to H.M. Treasury in lieu of dividend had not yet been completed, the Court gave their provisional approval to the Accounts.

A Report of the Debden Committee on the pensionability of shift earnings of staff at the Printing Works was submitted and approved.

The Governor spoke to the Court on the following matters -

1. The successful meeting of Central Bank Governors at the Bank the previous Thursday.
2. The recent Annual General Meeting of the Bank for International Settlements.
3. The Central Bankers' panel session at the International Monetary Conference the previous day.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 7th June was also laid before the Court.

W. C. ...

Secretary.

21st June, 1979.

See.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 21ST JUNE 1979

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.
Sir John Maurice Laing
Christopher William McMahon, Esq.
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.

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 discussion on the impact of the recent increase in the Bank's Minimum Lending Rate, and in particular on the possible effect on Building Society mortgage rates, then followed.

The following were laid before the Court -

1. A statement of the Overseas Trade Figures for May.
2. A statement of forthcoming retirements.

With reference to a Minute of the previous week, the Governor spoke about the June edition of the Quarterly Bulletin, which had been published the previous evening, and invited Mr.Dow to comment. A discussion followed in the course of which it was suggested that the list of recipients should be examined with a view to giving the Bulletin a wider circulation.

B.H.

The Governor spoke to the Court on the following matters -

1. The Henry Thornton Lecture which he had delivered at the City University the previous week.
2. Security as affecting Members of the Court and senior officials.

With reference to Minutes of the previous week and earlier regarding the Accounts of the Bank, it was reported that, after negotiation, a total dividend payment of £7 $\frac{1}{2}$ million for the year ended the 28th February 1979 would be acceptable to H.M.Treasury. The Accounts of the Bank, which now reflected that total payment in lieu of dividend, were again laid before the Court, together with a Minute of the Committee of Treasury recommending that the Accounts be approved and signed, and the Court agreed thereto.

The Deputy Governor spoke about a claim which it was proposed should be made by Slater, Walker Limited, a wholly-owned subsidiary of the Bank, and, subject to the investigation of a point about procedure, it was left that the matter should be pursued in the manner outlined.

With reference to Minutes of the previous week and earlier concerning this year's pay settlement, the Deputy Governor submitted detailed proposals for salary levels of those staff above the bargaining unit. These had been examined by the Committee of Treasury that morning who had recommended their adoption with the variant that, in place of provision for awards of personal pensionable salary, the various scales should be extended. The Court considered that the general pattern of the salary levels was acceptable and agreed that the proposed scales should be implemented, subject to the aforementioned amendment.

The following were also submitted and approved -

1. A Minute of the Committee of Treasury on senior appointments.
2. A Report of the Committee on Permanent Control of Expenditure.

B.H.

Arising from a Report of the Advisory Committee of the Houblon-Norman Fund on awards for the year 1979/80, the Deputy Governor spoke about the consideration which had been given to the future of the Fund and explained that while changes might soon be desirable, for example, by applying the bulk of the available resources to finance a Fellowship, available annually, it had been concluded that they should not be recommended this year.

R. H. G. G. G.
28th June 1979
Asst. Secretary

John Hafford

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 28TH JUNE 1979

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 Christopher Roderick Dow, Esq.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.
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 Banking Staff Wastage was laid before the Court.

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

1. The instructions which the Deputy Governor had issued to Heads of Departments and Budget Centre Managers for the urgent re-examination of the Bank's expenditure plans and staff budgets in the light of the recent pay award and the Government's policy towards public expenditure.

It was agreed that an interim report be presented to Court by the end of August on the immediate response of Departments and Budget Centres: and that further progress reports be submitted at appropriate intervals thereafter.

2. The pay award for Electronic Data Processing Staff and the Dealers.

A paper summarising a recent report of the Hansard Society entitled "Politics and Industry - the Great Mismatch" was introduced by the Governor who invited Mr. Dow to speak. A discussion followed.

John

Secretary

5th July 1979.

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 5TH JULY 1979

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.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Sir Hector Laing

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.

A discussion in general terms on the situation flowing from the weakness of the U.S. dollar and the strength of sterling followed. The Governor referred to the recent decision to increase the Bank's Minimum Lending Rate, primarily to curb excessive bank lending but also because of the need to sell substantial amounts of gilt-edged stock. He went on to say that heavy purchases of such securities by the public during the past week was

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exerting pressure on the reserve asset position of the banking system. Accordingly, he proposed, with the approval of the Chancellor of the Exchequer, a release and recall of Special Deposits: the repayment to be the equivalent of 1½% of eligible liabilities and to be made on the 11th July to banks (other than those in Northern Ireland) and to deposit-taking finance houses; and the rate of call to be restored to 1% with effect from the 3rd August and to 2% with effect from the 13th August. This was approved. The Governor emphasised that this operation, as on a number of previous occasions, was a technical smoothing measure and would not undermine the constraint which the Supplementary Special Deposits scheme was now imposing on the growth in bank lending. A discussion on various aspects of the state of the domestic economy then ensued.

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

The July edition of a report in a new monthly series, entitled "Economic Developments Abroad", was introduced by the Governor, who invited Mr. McMahon to speak: a discussion followed.

The Governor spoke to the Court on the following matters -

1. His recent meeting with the Chairmen of the Scottish Clearing Banks.
2. An international conference of banking supervisory authorities, arranged by the Bank in association with the Standing Committee of Banking Supervisory Authorities of the Group of Ten Countries and Switzerland, at which he had given the opening address that morning.
3. The completion of a period of secondment to the Bank of a Chief Adviser.

20

With reference to Minutes of the 30th November 1978 and earlier regarding a Report of the Staff Committee on a review of the Housing Loan Scheme, at the Governor's invitation Mr. Blunden spoke about the outcome of negotiations with the Staff Organisation on the introduction of revisions to the Scheme for staff who entered the Bank's service on or before the 30th June 1979 and on the development of an externally-funded arrangement for staff who entered on or after the 1st July 1979, with the interest subsidised by the Bank.

A letter from Messrs. McGrigor, Donald and Company having been submitted with a document to be sealed -

An Employer/Sub-Contractor Agreement, in duplicate, relating to the new Glasgow Agency
the Court approved thereof and

ORDERED

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

The Deputy Governor spoke to the Court about impressions gained during his recent visit to Czechoslovakia.

W. H. ...
Secretary
12th July 1979.

den.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 12TH JULY 1979

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 Christopher Roderick Dow, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
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, subject to the substitution of the word "primarily" for "not only" in the fourth line of the Minute relating to the release and recall of Special Deposits.

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

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

The book proof of the Annual Report and Accounts of the Bank for the year ended the 28th February 1979 was submitted, and a recommendation by the Governor that these be printed and issued was approved.

U

The Governor spoke to the Court on the following matters -

1. With reference to a Minute of the previous week, the international conference of banking supervisory authorities, sponsored by the Bank, which had been a marked success.
2. The recent meetings held at the Bank for International Settlements.
3. With reference to Minutes of the 26th April and earlier regarding the application by the Burmah Oil Company Limited to compel the Bank to produce certain documents in the context of Burmah's action against the Bank, the hearing of the Company's appeal against the Court's ruling on Crown Privilege.

A decision from the House of Lords was not expected before October; as a consequence, the timing of the main hearing of Burmah's claim would have to be deferred by about a year.

With reference to a Minute of the 28th June, at the Governor's invitation Mr. Blunden spoke to the Court about the situation regarding the salary award for Electronic Data Processing Staff and said that at a recent meeting of the Negotiating Council formal disagreement had been recorded. The Bank would however implement their offer forthwith.

The following were laid before the Court -

1. The monthly report on Central Government Finance.
2. A statement of retirements and a secondment.
3. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 5th July.

H. G. G. G.
Secretary.
19th July 1919.

J. L.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 19TH JULY 1979

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.
Sir Hector Laing
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 David Edward Charles Steel, D.S.O., M.C.

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 June.
2. The monthly Money and Banking Figures as at the 20th June.
3. The quarterly analysis of Bank Advances as at the 16th May.

A discussion in general terms on bank lending, and in particular on the difficulties that faced young entrepreneurs who were seeking to borrow funds in a period of high interest rates, then followed.

13

The Governor spoke about a further relaxation of exchange controls which had been announced the previous day. He then invited Mr. McMahon to comment on the substance of the changes and Mr. Blunden to advise the Court of the staffing implications and the actions which the Bank was taking to respond to them.

The Governor spoke to the Court on the following matters -

1. His recent meeting in the Bank with a small group of industrialists.
2. Possible provision for compensation to be paid in the event of death or injury of a Member of the Court or of the staff, or any members of their households, as a result of an incident such as a letter bomb. The Committee of Treasury had discussed the subject that morning and had recommended that, rather than make any formal provision, it would be preferable to leave any question of compensation, if such an event should occur, to the discretion of the Court. The Court agreed that the matter should be left on a basis of reliance on the Bank's sense of responsibility. The question of some form of provision against the possibility of kidnapping was also raised and it was agreed that this question should be investigated.

The following items from the Charitable Appeals Committee were submitted and approved -

1. A Report which contained recommendations regarding giving at the Branches and at the Printing Works.
2. A Minute on the making of a donation.

At the Governor's invitation, Lord Nelson spoke about impressions gained during his recent visit to China and other parts of the Far East.

H. Blunden
Secretary

See

26th July 1979

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 26TH JULY 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Lord Nelson of Stafford
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.

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

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

Arising therefrom, a wide-ranging discussion followed, at the conclusion of which the Governor said that shortages of funds in the money market and pressure on the reserve asset position of the banking system remained severe. With reference to a Minute of the 5th July, he therefore proposed that the recall of Special Deposits due to take effect on the 3rd August, amounting to $\frac{1}{2}\%$ of eligible liabilities,

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should now be payable on the 10th September. This was approved. The Governor emphasised that the postponement of this recall was solely a technical market smoothing operation and that it implied no relaxation of the present policy of continuing monetary restraint.

With reference to a Minute of the 12th July, the Governor commented on the press coverage of the publication of the Annual Report and Accounts of the Bank.

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

With reference to a Minute of the 31st May, a Report of the Staff Committee on the subject of adjustments to pensions was also submitted. The interests of the Deputy Governor and certain executive Directors having been declared, the Report was approved, subject, in the case of the recommendation that the situation of those members of the staff whose pensions had been calculated on wages and salaries which had been restricted by Government pay policy should be investigated with the Inland Revenue, to ascertaining whether such a matter had yet been pursued with the Revenue by the Civil Service or major private sector interests.

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

1. With reference to Minutes of the 12th July and earlier, the salary award for Electronic Data Processing Staff. At a meeting of the Negotiating Council the previous day second formal disagreement had been recorded; but the union was nevertheless not inclined to take the issue to arbitration.
2. With reference to a Minute of the 5th April, the claim, under Schedule 11 of the Employment Protection Act, which had been lodged by the unions at the Printing Works. He explained that it would probably prove to be advantageous to seek to negotiate a settlement with the unions on the issue, rather than await a hearing by the Central Arbitration Committee. The Court agreed that it would be appropriate to negotiate on the matter.

A statement of forthcoming retirements was laid before the Court.

The Court then had a general discussion on certain aspects of the domestic and United States economies and also on the oil supply and price situation.

H. G. H.
Secretary.

John of Stafford.

2nd August 1979.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 2ND AUGUST 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
Sir Hector Laing
Sir John Maurice Laing
Lord Nelson of Stafford
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 Minutes of the previous week and earlier regarding a release and recall of Special Deposits, and in particular to the recall due to take effect on the 13th August, the Governor proposed that, in view of the prospect of continuing shortages of funds in the money market and of severe pressure on the reserve asset position of the banking system, the Court should give the Governors discretion to postpone the aforementioned recall, should that appear desirable. This was approved.

CS

A discussion on the relationship between the Federal Reserve System and the United States Government and how that compared with the corresponding situations in the United Kingdom and in some other countries then followed.

The current paper on Economic Developments Abroad, which in this particular issue covered not only the major industrial countries but also contained a wider review of the world economy, was introduced by the Governor, who invited Mr. Blunden to speak: a discussion followed.

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

The Governor spoke to the Court on the following matters -

1. With reference to Minutes of the 5th April and earlier, the recent announcement that the main provisions of the Banking Act 1979 would come into operation on the 1st October.
2. The issue by the Bank that week of a code of conduct relating to transactions in the sterling deposit market and the establishment of a Sterling Brokers' Association.
3. The publication by the Bank, also that week, of a guide to export finance entitled "Money for Exports".
4. The intention of the Duke of Edinburgh's Award Scheme to mark its Silver Jubilee in 1981 by launching a major fund-raising appeal, for which the Bank was prepared to offer banking facilities.

At the Governor's invitation, Mr. Blunden spoke to the Court about requests for financial support which had been received from the Administrative Staff College, Henley, the London Business School and INSEAD. He said that, having taken into account the use made by the Bank of these institutions and having considered their relative merits, it was proposed that the

15

Bank should make the following contributions to the three appeals -

Administrative Staff College, Henley

£1,500 a year for 7 years

London Business School

£5,000 a year for 7 years

INSEAD

£2,500 a year for 7 years

These recommendations were approved.

A statement of forthcoming retirements and a secondment were laid before the Court.

The Governor commented in general terms on the Official Reserves figures for the end of July, which were due to be published that afternoon.

The Governor spoke about a request from the Bank of England Sailing Club for a further advance of about £20,000 to finance the exchange of their present boat for a similar but more up-to date yacht. After discussion of the issues at stake, in which it was mentioned that the Bank would have to choose between agreeing to finance a replacement yacht and, in effect, closing the Club down, it was left that consideration should be given to a proposal that the Bank should be prepared to provide half of the advance required if the Club were able to raise a similar proportion.

H. J. G. H.
Secretary.

See

13th September 1979.

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 9TH AUGUST 1979

Present

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

George Blunden, Esq.
Geoffrey Ayrton Drain, Esq.
Sir Hector Laing
Lord Weir

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 Governor commented on the weekly Figures and the state of the markets. A wide-ranging discussion followed covering, in general terms, such topics as the Banking figures published earlier in the week; the prospects for the economy as recently predicted in speeches by the Chancellor; exchange rate policy and the rate of repayments of foreign debt.

The following were laid before the Meeting

1. A statement of Official Reserves at the end of July.
2. The monthly report on Central Government Finance.
3. A statement of retirements.

G

[REDACTED]

At the Governor's invitation, Mr. Blunden spoke to the Meeting about the relocation of the Accountant's Department. He recalled that, in 1977, it had been decided that there was insufficient time to synchronise relocation of the Department with the replacement of the 1904 computers in 1980/81 and that accordingly it had been agreed to delay a move until the late 1980s. However, with the increasing emphasis on the need for reductions in expenditure, it had now been decided to commence a search for a suitable site within 50 to 100 miles of the City without further delay. It was not possible at this stage to give a firm indication of the likely date for the move, but normally moves of the scale contemplated took upwards of five years to complete. The staff had been informed accordingly.

[Handwritten signature]

[Handwritten initials]

Secretary

13th September 1979

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 16TH AUGUST 1979

Present

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

George Blunden, Esq.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, Esq.

Sir Hector Laing

Christopher William McMahon, Esq.

The Rt.Hon.Lord Robens of Woldingham

Lord Weir

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.

The monthly Money and Banking Figures as at the 18th July were laid before the Meeting.

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

15

At the Deputy Governor's invitation, Mr. Blunden spoke to the Meeting about a proposal to buy out tea and coffee breaks. He recalled that an incidental benefit of the closure of the Bank Club at King's Arms Yard during modernisation would be the cessation, at least temporarily, of the service of tea and coffee there, with a consequential impact on the arrangements for morning and afternoon breaks for staff at Head Office. The question was whether this opportunity should be taken to seek a prior renegotiation of the rules governing such breaks or whether to let a change of practice emerge as a natural result of the modernisation, in the hope that any formal alteration of the rules could be avoided or left until practices and attitudes had changed. When the matter had been discussed briefly in Committee of Treasury, the majority had favoured the latter course; but he was now persuaded that that was not tenable and he considered it preferable for the Bank to take the initiative with a positive proposal rather than seek to combat what was likely to be an immediate and extravagant claim by the union for monetary compensation for the loss of the breaks. He therefore sought the Meeting's views on a proposition that negotiations to buy out the breaks be opened with the union forthwith on the basis of a straight reduction of half an hour in the standard working day combined with the provision of beverages, free of charge, by means of dispensers in the Bank. In the discussion that followed, the Meeting expressed a strong dislike of any solution which involved a percentage increase in salaries; and although there was support for the stance previously taken at Committee of Treasury, the consensus view was that it would be preferable to open negotiations with the union on the basis proposed by Mr. Blunden.

With reference to the Minutes of the 14th December 1978 and earlier, the Deputy Governor recounted the circumstances which had led to Sarabex Limited being added to the list of Recognised Brokers in both foreign exchange and currency deposits.

The Deputy Governor also spoke briefly about the report which had appeared in the Press regarding certain proposals contained in a confidential discussion paper entitled "The Measurement of Capital" which the Bank had circulated to interested parties.

H. G. ...

Secretary.

See

13th September 1979.

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 23RD AUGUST 1979

Present

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

George Blunden, Esq.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, 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 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.

The following were laid before the Meeting -

1. A statement of the Overseas Trade Figures for July.
2. The Report and Accounts of the Bank of England Pension Fund for the year ended the 28th February 1979.

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At the invitation of the Deputy Governor,
Mr. Blunden informed the Meeting -

- (i) of the circumstances which had led to the suspension of a member of the Banking Staff at the Newcastle Branch;
- (ii) of the response by Heads of Departments and Budget Centre Managers to the Deputy Governor's Budget Letter calling for immediate savings in the current year's budget.

Blunden

Len

Secretary.

13th September 1919.

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 30TH AUGUST 1979

Present

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

Sir Robert Anthony Clark, D.S.C.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

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

The Rt.Hon.Lord Robens of Woldingham

Sir David Edward Charles Steel, D.S.O., M.C.

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.

With reference to the Minutes of the 2nd August and earlier regarding a release and recall of Special Deposits, and in particular to the recall due to take effect on the 10th September, the Deputy Governor proposed that, in view of the possibility of continuing shortages of funds in the money market, the Governors should be given discretion to postpone the aforementioned recall, should that appear desirable. This was approved.

The monthly report on Central Government Finance was laid before the Meeting.

G

The Deputy Governor spoke to the Meeting on the following subjects -

1. With reference to Minutes of the 26th July and earlier, a development in the situation regarding the salary award for Electronic Data Processing Staff, in that the union now wished to take the matter at least to the next stage laid down for dealing with issues under the Recognition and Procedure Agreement.
2. Plans for a forthcoming visit to London by Chairman Hua of the People's Republic of China, which would include a briefing session and luncheon at the Bank on the 1st November.

At the Deputy Governor's invitation, Sir Alastair Pilkington spoke about impressions gained during his recent visit to Mexico.

Arising from recent incidents in Ireland and elsewhere, the Meeting discussed a particular aspect of security.

J. G. ...

Secretary.

13. September 1979.

See

A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 6TH SEPTEMBER 1979

Present

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

John Martin Clay, Esq.
John Christopher Roderick Dow, Esq.
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Weir

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

With reference to a Minute of the previous week regarding the discretion given to the Governors to postpone the recall of Special Deposits due to take effect on the 10th September, should that appear desirable, the Governor explained that it had been concluded that it would be preferable to let the recall stand.

A statement of Official Reserves at the end of August was laid before the Meeting.

The current paper on Economic Developments Abroad was introduced by the Governor, who invited Mr.McMahon to speak: a discussion followed.

The Governor spoke to the Meeting on the following matters -

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1. The Central Statistical Office's annual report on the United Kingdom's balance of payments which had been published that week.
2. His meeting the previous day with the Chairmen of the London Clearing Banks.

A general discussion on certain aspects of the domestic economy then followed.

The Meeting considered the question of the response to be made by the Bank to the Jubilee Appeal launched by the Royal Institute of International Affairs and agreed that it would be appropriate to give an amount of £5,000.

W. H. G. H.

Secretary.

Len.

13th September 1919.

A COURT OF DIRECTORS AT THE BANKON THURSDAY, THE 13TH SEPTEMBER 1979Present

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 Christopher Roderick Dow, Esq.
Geoffrey Ayrton Drain, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.

The Minutes of the Court of the 2nd August, and those of the Meetings of the 9th, 15th, 23rd and 30th August were confirmed, and those of the Meeting of the 6th September, which had also been circulated, were approved.

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

The monthly Money and Banking Figures as at the 15th August were laid before the Court.

The Economic Report for August was introduced by the Governor, who invited Mr.Dow to speak: a discussion followed. Mr.Dow also commented on the concluding Assessment of the September edition of the Quarterly Bulletin due to be published the following week.

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At the Governor's invitation, Mr.Fforde spoke to the Court about a paper recently prepared by the Bank for the National Economic Development Council's Committee on Finance for Industry (the Roll Committee) on the financing of manufacturing industry to 1980; a discussion followed.

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

The Deputy Governor spoke to the Court on the following matters -

1. With reference to Minutes of the 30th August and earlier, the position with regard to the salary award for Electronic Data Processing Staff. A meeting with the Advisory Conciliation and Arbitration Service had been held the previous week, after which the Conciliator had informed the management representatives that, in his view, the Bank could come to an agreement with the union if they were to offer a higher differential than that now in payment, together with a special increase for those who had received little or no enhancement in salary as a result of this year's settlement. The Deputy Governor said that he saw no case for making concessions on the points in question. The Court concurred.
2. With reference to a Minute of the 23rd August, the situation regarding the Court proceedings in the case of the member of the Banking Staff at the Newcastle Branch who had been suspended on full pay.
3. Plans for dealing with the run-down of the Exchange Control Department as quickly as possible once a ministerial decision on the scale of the relaxations had been reached. He referred to the staffing implications and outlined suggested severance terms and, in so doing, obtained the Court's agreement

13

to seeking the approval of the Inland Revenue for the payment of immediate pensions to surplus staff in the 40-50 year age bracket. He also quoted a broad estimate of the costs of the operation, full recovery of which would be sought from H.M. Treasury.

The Governor having withdrawn, a Minute of the Committee of Treasury recommending increases, with effect from the 1st July 1979, in the pensions and allowances in payment in respect of former Governors and executive Directors and deferment of the application of the formula for the enhancement of the Governor's pension arrangements was read and approved.

W. G. ...

Secretary.

20th September 1979.

Lee

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 20TH SEPTEMBER 1979

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.
Geoffrey Ayrton Drain, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford

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 the Overseas Trade Figures for August was laid before the Court. Arising from the projection of "invisibles" as zero in the monthly figures, it was agreed that a paper on the subject of the "invisible" balance should be prepared for submission to the Court.

With reference to a Minute of the previous week, the Governor invited Mr.Dow to speak about the contents of the September edition of the Quarterly Bulletin, which had been published the previous evening and had been accorded wide coverage and a favourable reception by the media.

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The Governor spoke to the Court on the following matters

1. With reference to Minutes of the 2nd August and earlier regarding the Banking Act 1979, the publication by the Bank of a guide entitled "Handbook of Banking Supervision".
2. The recent meetings of Finance Ministers and Central Bank Governors in Paris and of the E.E.C. Finance Ministers in Brussels.
3. The 175th anniversary of the commencement of a family's period of consecutive service with the Bank.

At the Governor's invitation -

1. Mr. McMahon spoke about the annual report of the International Monetary Fund, which had been published the previous weekend.
2. Lord Nelson spoke about a visit to Argentina in connection with a particular project and Sir Robert Clark commented on impressions gained during his recent short stay in South Africa.

A statement of retirements was also laid before the Court.

H. G. Gough

Secretary

27th September 1979

See

A COURT OF DIRECTORS AT THE BANKON THURSDAY, THE 27TH SEPTEMBER 1979Present

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahan, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.

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.McMahon spoke to the Court on the following matters -

1. The state of the foreign exchange markets following the re-alignment of currencies in the European Monetary System the previous weekend.

2. With reference to a Minute of the previous week, a paper on the subject of the decline in the surplus on "invisibles".
3. The recent International Symposium on Banking History in Berlin at which he had delivered a speech.

The following were read and approved -

1. A Minute of the Committee of Treasury on a senior appointment.
2. A Minute on gratuities to members of the Printing Works Staff, recommended by the Governors.

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

1. Educational Loan borrowing limits.
2. The payment of certain gratuities.

The following were laid before the Court -

1. Two Reports of the Staff Committee on the following subjects:
 - (a) Banking Staff wastage for the quarter ended August 1979.
 - (b) The Chief of Establishments' report on Manpower Review and Planning.
2. A statement of a forthcoming secondment.
3. With reference to Minutes of the 31st May and earlier, a record of the meeting of the available non executive Directors with the sub-committee of the Wilson Committee which had been concerning itself with the functions of the Court.

With reference to Minutes of the 13th September and earlier, at the Governor's invitation Mr. Blunden advised the Court of a further development regarding Court proceedings in the case of the suspended member of the Banking Staff at the Newcastle Branch.

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The Governor spoke about the forthcoming annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development.

The Court then had a general discussion on industrial labour problems and, in particular, the move towards a shorter working week.

H. G. ...
Secretary.

4th October 1979.

Letter of Report.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 4TH OCTOBER 1979

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.

Sir Hector Laing

Sir John Maurice Laing

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.

The following were laid before the Court -

1. A statement of Official Reserves at the end of September.
2. The monthly report on Central Government Finance.

With regard to a Minute of the 13th September, the Deputy Governor referred to the Chief of Establishments' presentation to Members, earlier that morning, of the terms

of the voluntary severance scheme which, it was proposed, should be activated in the event of a major run-down in exchange control. After discussion, in which the question of consultation with the union was raised, the Court expressed themselves as broadly content with the recommendations outlined to them, and agreed to give the Governors discretion to settle all matters of detail in connection with the implementation of the proposed severance scheme, should such a need arise.

With reference to a Minute of the 29th March, at the Deputy Governor's invitation Mr. Blunden spoke about the conviction of the member of the Printing Works Staff, who had earlier been arrested for theft, on charges of stealing spoiled sheets of Bank notes.

H. G. ...

Secretary.

11th October 1979.

Lea.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 11TH OCTOBER 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.
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. At the Governor's invitation, Mr.McMahon spoke about events in the foreign exchange and gold markets following the announcement the previous weekend of the United States Federal Reserve Board's new monetary measures.

The Economic Report for September was introduced by the Governor, who invited Mr.Dow to speak: a wide-ranging discussion on aspects of the domestic economy followed.

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With reference to a Minute of the 27th September, the Governor spoke to the Court about the annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development which he had attended in Belgrade.

A Report of the Charitable Appeals Committee on donations was submitted and approved.

With reference to a Minute of the 14th December 1978 about the possibility of leasing accommodation at No.16, Finsbury Circus for a new computer system for the Accountant's Department, the Deputy Governor reported that this site had had to be rejected, owing to its vulnerability on security grounds.

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

1. With reference to a Minute of the 10th May, the outcome of negotiations with the union on the various recommendations for improvements in pension benefits which had earlier been endorsed by the Court.

2. 

With reference to a Minute of the 2nd August regarding a request from the Bank of England Sailing Club for a further advance to finance the exchange of their present boat, the Deputy Governor advised the Court that the Club had repaid £250 of their original advance and members had agreed to underwrite £2,500 of the net cost of a more modern yacht; the appeal for more contributions continued. He also mentioned that a recently formed Bank Inland Waterways Society had made an approach with a view to securing a loan to finance the acquisition of a narrow boat. After a discussion on the provision of such facilities which, it was pointed out, would be likely to be used by relatively few members of the staff, it was agreed that it would be desirable to call for a review of

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the Bank's whole policy of financing recreational activities, both sporting and cultural.

The Governors and Executive Directors having withdrawn, Lord Nelson referred to the subject of this year's pay settlement and said that there still remained the question of the appropriate salary levels of those Members of the Court who gave full-time service to the Bank. He explained that Sir Adrian Cadbury and Mr. Clay had undertaken an examination of the position in some detail, having drawn extensively on the advice and experience of Sir Henry Benson. Their report had been considered by the Committee of Treasury.

At Lord Nelson's invitation, Sir Adrian Cadbury then introduced the paper which he had prepared on the subject and spoke about the principles on which his proposals had been drawn up, with the objective of establishing a framework for a career structure up to the top level in the Bank. A brief discussion ensued and it was left that further consideration should be given to the proposals the following week.

B. C. Hoyle

Secretary

18th October 1979. Kenneth G. G. G. G.

18. 10. 79

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 18TH OCTOBER 1979

Present

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.

Geoffrey Ayrton Drain, Esq.

Leopold David de Rothschild, Esq.

John Standish Fforde, Esq.

Sir Hector Laing

Christopher William McMahon, Esq.

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

Sir David Edward Charles Steel, D.S.O., M.C.

The Deputy Governor and the available Executive Directors not being present, and with reference to a Minute of the previous week, Mr.de Rothschild invited Sir Adrian Cadbury to speak again about the proposals which he and Mr.Clay had drawn up following their examination of the position of the salary levels of those Members of the Court who gave full-time service to the Bank and, in particular, about two aspects which had been raised in discussion the previous week. After due consideration of the proposals and the manner in which they would be administered, it was agreed that the recommendations outlined in Sir Adrian Cadbury's paper represented a suitable and defensible framework for the purpose.

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The Deputy Governor and the available Executive Directors having joined the Court, the Minutes of the last Court, which had been circulated, were approved.

The Deputy 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 September.
2. The monthly Money and Banking Figures as at the 19th September.
3. The quarterly analysis of Bank Advances as at the 15th August.
4. A Report from the Board of Directors of B.E.Services Limited covering the year ended the 28th February 1979.
5. A statement of forthcoming secondments and retirements.

The current paper on Economic Developments Abroad was introduced by the Deputy Governor, who invited Mr.McMahon to speak.

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

A letter from Messrs.McGrigor, Donald and Company having been submitted together with a document to be sealed -

A Discharge of a Bond and Disposition in Security relating to a house in Helensburgh
the Court approved thereof and

ORDERED

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

H. J. ...

Secretary.

25th October 1979.

John of ...

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 25TH OCTOBER 1979

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.

Geoffrey Ayrton Drain, Esq.

John Standish Fforde, Esq.

Christopher William McMahon, Esq.

Lord Nelson of Stafford

Sir David Edward Charles Steel, D.S.O., M.C.

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 Deputy Governor referred to the speeches made by the Governor and the Chancellor of the Exchequer at the recent Mansion House Dinner which had been given a wide coverage and had been well received by the press.

With reference to Minutes of the 4th October and earlier, the Deputy Governor spoke about the removal of all remaining exchange control restrictions (apart from those needed in connection with sanctions against Rhodesia) which had been announced earlier in the week,

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and the manner in which the banking system and the staff of the Bank had been informed of the implications of the virtual dismantling of the present system of exchange control. At the Deputy Governor's invitation, Mr. Blunden then advised the Court of the initial reactions of the staff to the terms offered under the voluntary severance scheme and of offers of employment already received by the Bank; and Mr. McMahon commented on factors underlying the decision to abolish the remaining controls. Finally, reference was made to press comment which had suggested that changes were needed in the current system of monetary control in order to take account of the new situation and a discussion followed.

At the invitation of the Deputy Governor, Mr. Blunden informed the Court -

1. With reference to Minutes of the 13th September and earlier, of the appointment of an arbitrator and of the fixing of the date for the hearing of the union's claim for an increase in the level of differential to be applied to Electronic Data Processing Staff salaries.

2. [REDACTED]

The Deputy Governor raised the case of two members of the [REDACTED] [REDACTED] who had admitted the theft of [REDACTED] [REDACTED]. He said that it was proposed to dismiss them and sought the Court's views on whether steps should be taken to initiate prosecution proceedings. After discussion, it was considered, on balance, that the Bank should adopt that course of action.



A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 18th October was laid before the Court.

At the Deputy Governor's invitation, Mr. Drain spoke about impressions gained during his recent visit to Poland.

H. G. G. G.

Secretary

1st November 1919.

See

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 1ST NOVEMBER 1979

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.
Leopold David de Rothschild, Esq.
Sir Hector Laing
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 David Edward Charles Steel, D.S.O., M.C.

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. The monthly report on Central Government Finance.
Arising from comments on the Central Government Borrowing Requirement, it was agreed that a paper on the subject of the increase in Government borrowing and its costs, in real as well as in nominal terms, should be prepared for submission to the Court.

3

2. A Report of the Debden Committee covering the General Manager's half-yearly review of the operation of the Printing Works. A discussion on aspects of outstanding and prospective wage claims followed.

The Governor spoke to the Court about the recently announced offer for sale, on behalf of H.M. Government, of ordinary shares of the British Petroleum Company Limited.

With reference to Minutes of the previous week and earlier concerning the removal of all remaining exchange control restrictions, the Deputy Governor spoke of the sympathetic and understanding response to his approaches to non-executive Directors and to the chairmen of the clearing banks on the subject of the staff surplus in the Bank, and Mr. Blunden commented on the reactions of the staff in London and at the Branches and the Glasgow Agency to the voluntary severance scheme. He also mentioned the range of job vacancies which had been offered by various employers.

The Governor spoke to the Court on the following matters -

1. The luncheon to be held at the Bank that day in honour of Mr. Hua Guofeng, the Premier of the State Council of the People's Republic of China.
2. Impressions gained during his recent visits to New York and Washington.

J. G. [Signature]

Secretary.

8th November 1979.

Jen

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 8TH NOVEMBER 1979

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 Christopher Roderick Dow, Esq.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
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 David Edward Charles Steel, D.S.O., M.C.
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 figures relating to the clearing banks' balances as at the 17th October which had been published earlier in the week.

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



The Governor referred to the Government's Expenditure White Paper, which had been published the previous Thursday and had provoked widespread reactions, and invited Mr. Dow to comment on the broad outlines of the plans. A discussion followed.

The current paper on Economic Developments Abroad, which on this occasion covered the major overseas industrial countries and also contained a wider review of the world economy, was introduced by the Governor, who invited Mr. McMahon to speak; a discussion followed.

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

The Governor spoke to the Court on the following matters -

1. With reference to Minutes of the 12th July and earlier regarding the application by the Burmah Oil Company Limited to compel the Bank to produce certain documents in the context of Burmah's action against the Bank, the rejection by the House of Lords of the Company's appeal against the Court's ruling on Crown Privilege.
2. With reference to a Minute of the previous week, the successful luncheon held at the Bank in honour of Premier Hua Guofeng.
3. The Annual Lecture of the Institute for Fiscal Studies, entitled "Companies, Inflation and Taxation", which he had given earlier in the week.
4. The appointment of a Special Economic Adviser, which would become effective early in 1980.

At the Governor's invitation, Sir Adrian Cadbury and Sir Alastair Pilkington spoke about the recent annual conference of the Confederation of British Industry.

The Executive Directors having withdrawn, and with reference to Minutes of the 18th October and earlier, the Governor made specific proposals regarding the remuneration of the Executive Directors; and the Court approved thereof.

Secretary
15th November 1979.

Secretary

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 15TH NOVEMBER 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, 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 David Edward Charles Steel, D.S.O., M.C.
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. A statement of the Overseas Trade Figures for October.
2. The monthly Money and Banking Figures as at the 17th October.

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The Governor referred to the conditions prevailing in the markets, to the sharp widening of the visible trade deficit in October and to the rate of monetary growth and spoke of the pressing need to respond to these developments. He said that it was clear that the rate of monetary expansion, and in particular private sector demand for short-term credit, remained excessive, although the Money and Banking Figures for the single month of October exaggerated the underlying trend. It was his view that an increase in Minimum Lending Rate should now be made, not only in recognition of the rise of about 2% in market rates of interest in recent weeks, but also to help to achieve slower monetary growth; and that, to that same end, the Supplementary Special Deposits scheme should be continued. Accordingly, and with the approval of the Chancellor of the Exchequer, he proposed that -

- (i) There should be a change in the Bank's Minimum Lending Rate from 14% to 17%.
- (ii) The operation of the Supplementary Special Deposits scheme should be continued for a further period of six months.

These measures were approved.

A wide-ranging discussion then followed covering, in general terms, such topics as lending and the level of interest rates, and various other aspects of the domestic economy.

With reference to a Minute of the 1st November, the Governor spoke about the sale of ordinary shares of the British Petroleum Company Limited.

At the Governor's invitation, Mr. McMahon commented on the situation arising from recent moves by Iran and the United States with regard to Iranian-held assets.

6

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

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

With reference to Minutes of the 1st November and earlier regarding the removal of all remaining exchange control restrictions, at the Governor's invitation Mr. Blunden spoke about the response of the staff to the voluntary severance scheme and also the availability of space in the Bank's premises.

It was reported that the General Secretary of the Staff Organisation intended to resign from the post in order to become General Secretary of the Association of First Division Civil Servants.

The Deputy Governor raised the question of whether a charge should be made for the Quarterly Bulletin and explained the main considerations relevant and the options open to the Bank. After discussion, it was decided to accept in principle a recommendation to charge for the Bulletin and it was left that detailed proposals would be submitted shortly.

H. Blunden
Secretary.

22nd November 1979.

John of R. R. R.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 22ND NOVEMBER 1979

Present

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Lord Nelson of Stafford
Sir David Edward Charles Steel, D.S.O., M.C.

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 also spoke about meetings which had been held at the Bank with representatives of banking associations in connection with the decision to continue the operation of the Supplementary Special Deposits scheme and about the press reaction to the issue on the previous Thursday evening of a new long-dated gilt-edged stock which had not been offered for public subscription.



With reference to a Minute of the previous week, the Deputy Governor commented on the confused situation arising from the decision by the United States to freeze official Iranian funds held in American banks.

With reference to a Minute of 1st November, at the Deputy Governor's invitation Mr. Dow spoke about a paper on the developments in the Central Government Borrowing Requirement in the current financial year and on the debt servicing costs to which the deficit would give rise.

With reference to a Minute of the previous week regarding the acceptance in principle of a recommendation to charge for the Quarterly Bulletin, a paper which outlined the main considerations and described proposed administrative arrangements and timing was submitted to the Court. After discussion, it was agreed that it would be appropriate to charge £15 per annum for the Bulletin from the outset, with a higher rate of £4 for individual copies. The Court also considered that the proposed free distribution list for copies of the Bulletin was broadly acceptable and agreed to give the Governors discretion to settle all matters of detail and to determine whether it would be practicable to offer a reduced price to students of economics.

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

The Deputy Governor spoke about the successful dinner held at the Bank the previous evening in honour of Mr. Abdul Aziz Abdul Ghani, Prime Minister of the Yemen Arab Republic.

Lord Weir was granted permission to join the Board of Isoban Limited.

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Secretary.
29th November 1979.

Mu - 29-11-79

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 29TH NOVEMBER 1979

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 Fforde, Esq.

Sir John Maurice Laing

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. In response to points raised, the Deputy Governor also spoke in general terms about the figures for bank lending in the latest monthly period and the credit card facilities offered by the clearing banks.

Figures showing the results of the Banking Department's operations for the half-year ended the 31st August 1979 were laid before the Court. The Deputy Governor spoke about the possible outturn for the full financial year and various provisions that might be required.

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The following were laid before the Court -

1. A Report from Mr. Dow and Sir Hector Laing on their visit to the Birmingham Branch.
2. A statement of forthcoming retirements.

A Report of the Staff Committee on the Housing Assistance Scheme and on borrowing limits under the existing Housing Loan Scheme was submitted and approved, subject to a qualification with regard to the stance to be adopted in discussing the increase in limits with the union.

The Deputy Governor spoke to the Court about the Chancellor of the Exchequer's meeting earlier that morning with the Secretary of the United States Treasury, at which the topics had included (with reference to Minutes of the previous week and earlier) problems arising from the blocking of official Iranian funds held in American banks.

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

A Conveyance relating to the sale of a house in Gosforth

the Court approved thereof and

ORDERED

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

B. H. Onocko
Asst Secretary
6th December 1979

See.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 6TH DECEMBER 1979

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.
Geoffrey Ayrton Drain, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Sir Lionel Alexander Bethune Pilkington, F.R.S.
The Rt.Hon.Lord Robens of Woldingham
Sir David Edward Charles Steel, D.S.O., M.C.
Lord Weir

The Minutes of the last Court, having been circulated, were approved. Arising therefrom, the Governor spoke about the effect of the recent rise in Minimum Lending Rate on demand for bank lending: and he also acquainted the Court of the situation which had developed in consequence of the action of the U.S.A. in blocking Iranian funds.

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

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The following were laid before the Court:-

1. A statement of Official Reserves at the end of November.
2. A Report from Mr. McMahon and Mr. Drain on their visit to the Leeds Branch.
3. A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 29th November.

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

[REDACTED]

In response to a point made by Sir Alastair Pilkington, a wide ranging discussion ensued on the damaging effects on U.K. manufacturing industry both of the high exchange rate resulting from North Sea oil revenues and of monetary policy. It was agreed that further discussion of this matter would be desirable and that, accordingly, a short paper be prepared for the Court's later consideration on the main issues involved as a basis for such discussion.

Secretary

Secretary

13th December 1979.

See

A COURT OF DIRECTORS AT THE BANKON THURSDAY, THE 13TH DECEMBER 1979Present

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
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 David Edward Charles Steel, D.S.O., M.C.
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 Central Government Finance was laid before the Court.

The current paper on Economic Developments Abroad and the Economic Report for November were introduced by the Governor, who invited Mr.McMahon and Mr.Dow, respectively, to speak.

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The Governor spoke to the Court on the following matters -

1. With reference to Minutes of the previous week and earlier, recent developments in the situation arising from the action of the United States in blocking Iranian funds.
2. The decision, announced the previous Friday, to discontinue, for new issues of British Government stock, the practice of paying commission to bankers or stockbrokers.
3. With reference to Minutes of the 25th October and earlier and following the restoration of the legal status of Rhodesia, the removal of all exchange control restrictions in respect of Rhodesia.
4. With reference to Minutes of the 21st June and earlier, the Reports and Accounts of Slater, Walker Limited and EBS Investments Limited, for the year ended 28th February 1979, which would be filed with the Registrar of Companies shortly.
5. Impressions gained during his recent visit to China and the Far East.

With reference to Minutes of the 11th October and earlier, the Deputy Governor spoke about a review which had been undertaken of the cost of the recreational facilities, both sporting and cultural, made available for Bank staff. He advised the Court of the cash grants and other payments, under a number of heads, for which there was budgetary provision in the current year and, in so doing, explained that it was not a straightforward matter to compute overall costs on a fully comparable basis when Bank support was variously provided in cash or in kind. After discussion of the issues at stake, it was considered, on balance, that the expenditure was of a sufficiently modest size and could be justified; and, furthermore, it was felt that the approaches from the Sailing Club and the Inland Waterways Society for forms of financial assistance could be accepted as reasonable.

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With reference to Minutes of the 27th September and earlier, at the Governor's invitation Mr. Blunden reported that the suspended member of the Banking Staff at [redacted] had been found "not guilty" at a Crown Court trial earlier that week. His suspension had therefore been lifted and consideration was now being given to a transfer to [redacted].

W. Blunden

Secretary.

See

20th December 1919.

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 20TH DECEMBER 1979

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.
Geoffrey Ayrton Drain, Esq.
Leopold David de Rothschild, Esq.
John Standish Fforde, Esq.
Sir Hector Laing
Sir John Maurice Laing
Christopher William McMahon, Esq.
Lord Nelson of Stafford
Sir Lionel Alexander Bethune Pilkington, F.R.S.
Sir David Edward Charles Steel, D.S.O., M.C.

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 Money and Banking Figures as at the 21st November.
3. A Report from Mr.de Rothschild and Mr.Clay on their visit to the Glasgow Agency.

At the Governor's invitation, Mr. Dow spoke about the contents of the December edition of the Quarterly Bulletin, which had been published the previous evening and had been accorded a favourable reception by the press. A discussion followed, in the course of which it was agreed that papers on the undermentioned subjects should be prepared for submission to the Court:

1. The manner in which the cost of Government borrowing at high rates of interest would be affected in real terms as inflation was brought under control.
2. The extent to which other countries employ forms of index-linking for the purposes of wages, pensions, bonds and insurance.

With reference to Minutes of the previous week and earlier, the Governor commented on aspects of the Iranian situation. A discussion on such matters as the placement of oil monies and the pricing and supply of oil then followed.

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

With reference to Minutes of the 8th September 1977 and earlier, a draft of an amended version of the Recognition and Procedure Agreement was also laid before the Court. On the invitation of the Governor, Mr. Blunden explained the need to revise the Agreement to reflect certain developments and its terms were approved.

The Governor spoke to the Court on the following matters -

1. A recent lunch held for representatives of various City institutions and also a dinner for Nationalised Industries Chairmen.
2. A dinner which he had attended in Bonn the previous evening for Dr. Emminger, the retiring President of the Deutsche Bundesbank.
3. The despatch of letter bombs to prominent persons.

With reference to a Minute of the 3rd May, and on the recommendation of the Committee of Treasury, it was agreed that, with effect from the New Year, and in the ordinary course, the Court should meet at 11.45 a.m. each Thursday.

The Governor mentioned that Sir Robert Clark had been appointed Chairman of the Review Body on Doctors' and Dentists' Remuneration.

H. G. ...

Secretary

3rd January, 1980.

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A MEETING OF DIRECTORS AT THE BANK

ON THURSDAY, THE 27TH DECEMBER 1979

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.

Geoffrey Ayrton Drain, 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.

At the invitation of the Governor, Mr.Blunden spoke to the Meeting on the following matters -

1. With reference to Minutes of the 25th October and earlier, the finding of the arbitrator on the union's claim for an increase in the level of differential to be applied to Electronic Data Processing Staff salaries. He had awarded 12% in place of 10% offered by the Bank.
2. With reference to a Minute of the 15th November, the appointment of a new General Secretary of the Staff Organisation.

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A statement of a forthcoming retirement and a secondment was laid before the Meeting.

With reference to Minutes of the previous week and earlier, the Governor again commented on aspects of the Iranian situation.

H. G. ...

Secretary

3rd January, 1980.

See

