



A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 3RD JANUARY 1980

Present

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

George Blunden, Esq.  
John Martin Clay, Esq.  
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.

The Minutes of the Court of the 20th December 1979 were confirmed and those of the Meeting of the 27th December 1979, which had also been circulated, were approved.

The Governor commented on the weekly Figures and the state of the markets. He also spoke about oil prices and, with reference to Minutes of the previous week and earlier, the Iranian situation.

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

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With reference to Minutes of the 26th July 1979 and earlier, a Report of the Staff Committee on the effect of pay restraint on pensions, which contained recommendations that increases be granted in certain pensions in payment, was submitted and approved.

With reference to Minutes of the 15th November 1979 and earlier, at the Governor's invitation Mr. Blunden spoke to the Court about resignations submitted in response to the voluntary severance scheme, which had closed for applications on the 31st December. It was noted that the scheme had been very successful in achieving the objectives sought.

With reference to Minutes of the 20th September 1979 and earlier, the Governor recalled that, under the provisions of the Banking Act 1979, the Bank was required to be satisfied that every applicant for either recognition or a licence fulfilled specified criteria relating to the suitability of management; and that, to assist the Bank in making a fair and consistent judgment as to whether these criteria were met, the directors, controllers and managers of every applicant institution were being obliged to complete a personal questionnaire. He explained that the Bank had taken the view that it could not waive this requirement in the cases of certain individuals who happened to be well-known to the Bank and said that while some objections had been voiced, applicants generally had accepted with good grace the need to complete the personal questionnaires. It was agreed that this was a correct approach.

With reference to a Minute of the 21st June 1979, the Deputy Governor spoke to the Court about a recent joint meeting of the Trustees and the Advisory Committee of the Houblon-Norman Fund which had been convened to consider how the resources of the Fund could be deployed to the best advantage. Three possible courses had been considered and, in the light of discussion, the Trustees had decided to continue for another year on the present basis of making a

number of relatively small grants, in the hope that the quality and relevance of applications could be improved; to pursue a substantial reduction in the administrative costs falling on the Bank; and to investigate the possibility of concentrating the Fund's resources in the future on financing a fellowship to be held jointly with a relevant research institution.

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

Having referred to certain forthcoming retirements and to the changed duties, responsibilities and role of the Bank, the Governor spoke about plans for modifying the present organisation and senior management structure of the Bank and said that he intended to place formal proposals before the Court the following week.

*Belmont*

*Secretary*

*10<sup>th</sup> January 1980.*

*L.L.H.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 10TH JANUARY 1980

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.

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.

With reference to a Minute of the previous week, the Governor laid before the Court an organogram which set out the proposed new senior management structure of the Bank and also a draft of the message which he intended to send to the staff. After speaking about prospective appointments and reappointments to the Court, he explained that, in discussing the situation regarding the Direction, the Committee of Treasury had concluded that there ought to be no presumption that Directors would automatically be reappointed on the completion of one or more terms of office and had further expressed the view that two terms might well prove in the generality of cases to be a long enough period for service on the Court by a non-executive Director. The Court concurred.

The Governor then commented on the new structure and on his message to the staff. The Court approved the proposed changes in organisation and the recommended appointments and promotions, and gave the Governors discretion to determine matters of interpretation and administration, including minor amendments of detail which had been suggested in the course of discussion.

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

With reference to a Minute of the previous week, a statement of Official Reserves at the end of December was laid before the Court.

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

[REDACTED]

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At the Governor's invitation, Mr. Blunden acquainted the Court with a letter from the General Secretary of the Staff Organisation in which he had expressed appreciation of the Bank's action in averting redundancy following the dismantling of exchange controls and in dealing with the pension anomaly that had arisen during the period of pay restraint.

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

*[Handwritten signature]*

*Secretary*

*17<sup>th</sup> January 1980.*

*[Handwritten initials]*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 17TH JANUARY 1980

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.  
John Standish Fforde, 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.  
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 speak about the strength of demand in the gilt-edged market that had emerged unexpectedly on the previous Thursday afternoon and Friday morning and informed the Court that, in order to prevent excessive pressure on the reserve asset position of the banking system, it had been decided, after consultation with all available Members on the Friday, and with the approval of the Chancellor of the Exchequer, to

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make a temporary reduction in the rate of call for Special Deposits: the repayment to be the equivalent of 2% of eligible liabilities (leaving nil) and to be made on the 16th January 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 8th February and to 2% with effect from the 7th March. The Court gave their formal approval to this measure. The Governor emphasised that this action implied no change in monetary policy and was solely a technical market smoothing operation.

The following were laid before the Court -

1. A statement of the Overseas Trade Figures for December 1979.
2. The quarterly analysis of Bank Advances as at the 21st November 1979.
3. The monthly Money and Banking Figures as at the 12th December 1979.
4. A statement of a forthcoming sponsored appointment.

The Economic Report for December 1979 was introduced by the Governor, who invited Mr. Dow to speak: a discussion followed.

With regard to Minutes of the last week and earlier, the Governor referred to the announcement the previous day of the appointments and reappointments to the Court and of the changes in the Bank's senior management structure, which had been accorded a generally positive reception by the press.

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

*J. C. L. G.*

*Secretary*

*24<sup>th</sup> January, 1980.*

*also*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 24TH JANUARY 1980

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.  
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. Arising from the recent wide fluctuations in the price of gold, it was agreed that a paper on the position of gold in international markets should be prepared for submission to the Court.

With reference to a Minute of the previous week regarding the decision to make a temporary reduction in the rate of call for Special Deposits, the Governor proposed that, as such release and recall operations were not policy moves but merely technical smoothing operations, undertaken in the

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course of the Bank's management of the money markets, the Court should give the Governors authority to carry out such operations whenever, in their view, it was necessary to do so. This was approved.

With reference to a Minute of the 20th December 1979, at the Governor's invitation Mr. Dow introduced a paper on 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. A discussion followed.

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. With reference to Minutes of the 31st May 1979 and earlier, it was noted that it was now extremely unlikely that the Staff Organisation's appeal against the award of the Central Arbitration Committee on their claim, under Schedule 11 of the Employment Protection Act, would go ahead.
2. A statement of a forthcoming retirement and a secondment.

The Governor spoke to the Court on the following matters -

- (a) The inaugural R.A.O. Bridge Memorial Lecture which he had given earlier that week.
- (b) A meeting in Frankfurt which he had attended the previous weekend.

The Executive Directors having withdrawn, two Minutes of the Committee of Treasury on the following subjects were read and approved -

- (i) A proposal to invite Mr. McMahon to attend Meetings of the Committee of Treasury.
- (ii) The remuneration of the Deputy Governor-designate and on the appointment and remuneration of Executive Directors.

*K. G. P. H.*  
*Secretary*  
31<sup>st</sup> January 1980.

*Jan*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 31ST JANUARY 1980

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 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.

With reference to Minutes of the previous week and earlier regarding temporary reductions in the rate of call for Special Deposits, the Governor informed the Court that, as shortages of funds in the money market and pressure on the reserve asset position of the banking system remained severe, it would be necessary to postpone the recall amounting to 1% of eligible liabilities due to be made on the 8th February to a date in either March or April.

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The monthly report on Central Government finance was laid before the Court.

With reference to a Minute of the 6th December 1979 regarding a discussion on the damaging effects on U.K. manufacturing industry, of the high exchange rate resulting from North Sea oil revenues and of monetary policy, Mr. Dow introduced a paper on the subject of the exchange rate and competitiveness, as a basis for further consideration of the matter. A lengthy discussion followed.

With reference to a Minute of the 1st March 1979, specimens of the artist's designs for the new £50 note and prints from the main engraved dies of the back and front of the note were laid before the Court, prior to the designs being shown to H.M. The Queen. It was noted that final proofs of the entire note would be submitted for the Court's approval in due course. As there was insufficient time to examine the specimens in detail, it was left that they should be re-exhibited to the Court the following week.

The Governor spoke to the Court on the following matters -

1. the recent session at the Bank with the Panel of Academic Consultants
2. his meetings earlier that week with the Chairmen of the Scottish Clearing Banks and of the London Clearing Banks.

The Governors and Executive Directors having withdrawn, and with reference to Minutes of the 8th November 1979 and earlier about the salary levels of those Members of the Court who gave full-time service to the Bank, Lord Nelson made specific proposals regarding the remuneration of the Governor and the Deputy Governor; and these were approved.

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

7<sup>th</sup> February 1980.

*Len*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 7TH FEBRUARY 1980

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.

With reference to Minutes of the previous week and earlier, it was mentioned that the recall of Special Deposits amounting to 1% of eligible liabilities, scheduled for the 8th February, would now be payable on the 8th April.

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

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

With reference to a Minute of the 20th December 1979 concerning the extent to which other countries employed forms of index-linking for various purposes, Mr.McMahon introduced a paper covering a survey of types of indexation arrangements found in twenty five countries. A discussion followed.

A Report of the Committee on Bank Premises concerning the estimated costs of modernising the catering facilities in King's Arms Yard/Tokenhouse Yard was submitted and approved, subject to confirmation by Lord Nelson, the Chairman of that Committee, who was unable to be present that day, that he would not be in favour of reopening at this stage the question of awarding the main contract for the project on a negotiated basis.

With reference to a Minute of the previous week, the designs for the new £50 note and prints from the main engraved dies were again exhibited to the Court who expressed their appreciation of the high level of achievement of both the Artist Designer and the Engraver.

The Governor mentioned that Lord Shawcross wished to relinquish the position of Chairman of the Panel on Take-overs and Mergers and that Sir Jasper Hollom had been appointed to succeed him, with effect from the 1st June 1980.

At the Governor's invitation, Mr.de Rothschild spoke about impressions gained during his recent visits to Chile and Mexico.

*W. G. G. G.*

*Secretary.*

*14<sup>th</sup> February 1980.*

*de*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 14TH FEBRUARY 1980

Present

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

Sir George Adrian Hayhurst Cadbury  
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 mentioned that the Bank had undertaken to make available to the banking system temporary facilities for the sale and repurchase of short-dated gilt-edged stocks in order to relieve excessive pressure on liquidity in the money markets. He also referred to his speech at Bristol the previous evening in which he had again emphasised the need for a firm monetary policy.

The monthly Money and Banking Figures as at the 16th January were then laid before the Court. A wide-ranging discussion followed covering, in general terms, such topics as the effectiveness of a high level of short-term interest rates, the control of bank lending and the determination of monetary targets.

The Economic Report for January was introduced by the Governor, who invited Mr. Dow to speak: a further discussion followed on various aspects of the domestic economy.

With reference to Minutes of the previous week and earlier regarding a Report of the Committee on Bank Premises on the modernisation of King's Arms Yard/Tokenhouse Yard, it was reported that Lord Nelson had confirmed that he did not see a case for reopening the question of awarding the main contract on a negotiated basis. Work on the next stage of the project was therefore now proceeding in the manner proposed.

The following were submitted and approved -

1. The Quarterly Report of the Committee to consider the Securities of Certain Funds.
2. The Annual Report of the Charitable Appeals Committee on Donations.

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 also submitted and approved.

The Governor spoke about a proposal that Sir Jasper Hollom should join the Board of the Commonwealth Development Finance Company Limited in March and succeed Sir George Bolton as Chairman. The Court agreed that it was appropriate that Sir Jasper Hollom should take on the appointment.

*J. H. G.*

*Secretary.*

*21<sup>st</sup> February 1980.*

*J. H. G.*

COURT OF DIRECTORS

For the year ending the 28th February 1981

<u>Declaration made before</u>	<u>Date</u>		
		The Rt.Hon.Gordon William Humphreys Richardson,	M.B.E. Governor
Deputy Governor	21. 2.80	*Christopher William McMahon, Esq.	Deputy Governor
		Lord Nelson of Stafford	
		The Rt.Hon.Lord Robens of Woldingham	
Deputy Governor	5. 3.80	*Sir Jasper Quintus Hollom, K.B.E.	
		Leopold David de Rothschild, Esq.	
		Sir George Adrian Hayhurst Cadbury	
		John Standish Fforde, Esq.	
Deputy Governor	21. 2.80	∕Lord Weir	
		John Martin Clay, Esq.	
		John Christopher Roderick Dow, Esq.	
		Sir Hector Laing	
Deputy Governor	28. 2.80	∕Sir Lionel Alexander Bethune Pilkington, F.R.S.	
Deputy Governor	22. 2.80	∕George Blunden, Esq.	
		Sir Robert Anthony Clark, D.S.C.	
		Sir David Edward Charles Steel, D.S.O., M.C.	
		Geoffrey Ayrton Drain, Esq.	
Deputy Governor	29. 2.80	*John Brangwyn Page, Esq.	

\*Appointed 1st March 1980

∕Reappointed 1st March 1980

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 21ST FEBRUARY 1980

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.  
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  
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 on the placement of oil monies and related matters followed.

The following were laid before the Court -

1. A statement of the Overseas Trade Figures for January; a further discussion followed.
2. A Report from Lord Nelson and Mr.Blunden on their visit to the Liverpool Branch.
3. A statement of forthcoming retirements and a sponsored appointment.

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4. A statement of Accounts of the Bank Provident Society for the year ended the 30th November 1979; and a Minute of the Committee of Treasury on the declaration of a Compound Reversionary Bonus to members of the Bank Provident Society was read and approved.

On the Governor's proposal, it was resolved that, pursuant to Clause 3 of the Trust Deed of the Houblon-Norman Fund Mr. Christopher William McMahon, Deputy Governor designate, be appointed a Trustee of the Fund with effect from the 1st March 1980 in the room of Sir Jasper Hollom, K.B.E.

The Governor also mentioned that it was the intention to appoint a new Trustee of the Bank of England Pension Fund.

A Minute of the Committee of Treasury on gratuities, in connection with the Annual Review of Staff, and on senior appointments was also read and approved. Arising therefrom, it was agreed that the terms of reference of the Auditor should be reviewed and, where appropriate, redefined.

[REDACTED]

With regard to a Minute of the 2nd September 1976, the Governor referred to the scheme for Banking Loans for House Purchase for Members of the Court rendering exclusive service (which had been extended to cover other approved purposes in addition to house purchase), and it was agreed that a loan of up to £2,000 be made to Mr. Fforde, for house improvement, against the security of endowment assurance policies.

The Governor spoke to the Court about the forthcoming announcements of the profits of the clearing banks for the last year.

*J. C. [Signature]*  
Secretary.  
28<sup>th</sup> February 1980.

*[Signature]*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 28TH FEBRUARY 1980

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

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

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

With reference to Minutes of the 7th February and earlier, the Governor advised the Court that, as shortages of funds in the money market and pressure on the reserve asset position of the banking system remained severe, it was expected that the recall of Special Deposits amounting to 1% of eligible liabilities, scheduled for the 7th March, would need to be postponed to the 14th May.

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A paper recommending that voluntary severance offers be made to some members of the Messenger Staff was submitted and approved.

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

1. A Scheme of Classification for Typing and Secretarial Staff.
2. Rules of a Compensation Scheme in connection with certain payments made under the terms of the Voluntary Severance Scheme.

With reference to Minutes of the 3rd January and earlier, a statement of retirements under the terms of the Voluntary Severance Scheme was laid before the Court.

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

The Governor spoke to the Court on the following matters -

1. His appointment as a member of the National Economic Development Council, which had been announced earlier in the week.
2. His recent visits to Saudi Arabia and Kuwait.

At the rising of the Court, the Governor expressed his deep appreciation of the outstanding contributions made by Sir Maurice Laing as a Director and by Sir Jasper Hollom as Deputy Governor.

*W. J. Laing*

*Secretary.*

*6<sup>th</sup> March 1980.*

*C. W. M.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 6TH MARCH 1980

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Christopher William McMahon, Esq., 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 Jasper Quintus Hollom, K.B.E.  
Sir Hector Laing  
Lord Nelson of Stafford  
John Brangwyn Page, 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 Governor raised the question of the attendance of Mr.Loehnis, an Associate Director, and said that the Committee of Treasury had recommended that he should attend meetings of the Court regularly, but that if certain matters not relevant to his presence were due to be considered, then he might be asked to absent himself from the proceedings. The Court concurred.

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

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

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With reference to Minutes of the previous week and earlier, it was mentioned that the announcement of the decision that the recall of Special Deposits amounting to 1% of eligible liabilities, scheduled for the 7th March, should now be payable on the 14th May had been made on the previous Friday.

With reference to a Minute of the 14th February, the Governor advised the Court that, as shortages of funds in the money market and pressure on the reserve asset position of the banking system remained severe, as had been reflected in the recent level of inter-bank rates, it was possible that there would be a need to extend, for a further month, the temporary facilities made available to the clearing banks for the sale and repurchase of short-dated gilt-edged stocks. A discussion followed.

The following were laid before the Court -

1. A statement of Official Reserves at the end of February.
2. The monthly report on Central Government Finance.
3. A statement of forthcoming secondments.

The Deputy Governor introduced the current paper on Economic Developments Abroad, which on this occasion concentrated on the outlook for the world economy over the next two years. A lengthy discussion followed on various aspects covered in it.

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

The following were submitted and approved-

1. The Quarterly Report of the Audit Committee and the Annual Review of the Audit Division programme, together with the Annual Review of the work of that Committee.
2. A Report of the Committee on Permanent Control of Expenditure.

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The Governor spoke to the Court on the following matters -

1. A meeting of the National Economic Development Council which he had attended for the first time the previous day.
2. With reference to a Minute of the 25th November 1976 regarding the support arrangements that had been made available by the Bank to the Burmah Oil Company, the termination before the due date of the Banking Department's guarantee to Burmah of borrowing totalling U.S. dollars 100 million as a result of restructuring of the Company's financing arrangements.

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

*13<sup>th</sup> March 1980.*

*C. W. M.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 13TH MARCH 1980

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Christopher William McMahon, Esq., Deputy Governor

George Blunden, Esq.  
Sir Robert Anthony Clark, D.S.C.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Sir Jasper Quintus Hollom, K.B.E.  
Sir Hector Laing  
John Brangwyn Page, Esq.  
The Rt.Hon.Lord Robens of Woldingham  
Lord Weir

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Anthony David Loehnis, Esq.

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 mentioned that it had been decided to extend, for a further month, the temporary arrangement with the clearing banks for the sale and repurchase of short-dated gilt-edged stocks and that an announcement had been made on the previous Friday.

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

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At the Governor's invitation -

1. Mr. Fforde spoke to the Court about a consultative document on monetary control, the text of which had been drafted jointly by H.M. Treasury and the Bank. Mr. Page then outlined the background to a Bank paper on the measurement of liquidity and also mentioned earlier consultative papers on the measurement of capital and foreign currency exposure.

The papers on monetary control and on the measurement of liquidity were due to be published on the following Thursday and copies would be sent to Members beforehand in order that they might be discussed at the next Court.

2. Sir Robert Clark commented on impressions gained during his recent visit to the United States of America.

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

LORD NELSON  
LORD ROBENS  
SIR JASPER HOLLOW  
MR. de ROTHSCHILD  
SIR ADRIAN CADBURY

The following were read and approved -

1. A Minute of the Committee of Treasury on the appointment of Standing Committees, etc., for the ensuing year.
2. A Minute on an appointment recommended by the Governors.

The Governor spoke to the Court about a scheme to promote the appointment of non-executive directors in which the Confederation of British Industry was taking the lead and the Bank was participating.

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

*b.c. for h.*  
*secret*  
20<sup>th</sup> March 1980.

*C. W. M. Malver*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 20TH MARCH 1980

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Christopher William McMahon, Esq., Deputy Governor

George Blunden, Esq.  
Sir George Adrian Hayhurst Cadbury  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Pforde, Esq.  
Sir Jasper Quintus Hollom, K.B.E.  
John Brangwyn Page, Esq.  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
Sir David Edward Charles Steel, D.S.O., M.C.  
Lord Weir

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Anthony David Loehnis, Esq.

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 February.
2. The monthly Money and Banking Figures as at the 20th February.

With reference to a Minute of the previous week, Mr.Fforde introduced the consultation Command paper by H.M.Treasury and the Bank on monetary control which had been published that morning. Mr.Page also spoke about the Bank's consultation paper on the measurement of liquidity which had been released at the same time. After discussion, the Governor pointed out that the paper on monetary control contained the conclusion that the Supplementary Special Deposits scheme had come virtually to the end of its useful life, and should be phased out as soon as it conveniently could be. He said that a decision on that recommendation would be a matter for agreement between the Bank and the Chancellor of the Exchequer and he proposed that the Court should give the Governors discretion to reach such agreement whenever it was appropriate to do so. This was approved.

At the Governor's invitation, Mr.Dow then spoke about the Assessment and other contents of the March edition of the Quarterly Bulletin, which had been published the previous evening.

A provisional statement of the estimated operating profit of the Banking Department for the year ended the 29th February 1980 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 letter from Messrs.Freshfields having been submitted with a document to be sealed -

A Deed of Appointment, in duplicate, of a new Trustee to the Court Pension Scheme

the Court approved thereof and

ORDERED

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

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

*Handwritten signature*  
Assistant Secretary  
27<sup>th</sup> March 1980

*Handwritten signature*  
27/3/80

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 27TH MARCH 1980

Present

The Rt.Hon.Gordon William Humphreys Richardson, M.B.E., Governor  
Christopher William McMahon, Esq., 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 Jasper Quintus Hollom, K.B.E.  
Sir Hector Laing  
John Brangwyn Page, Esq.  
Sir Lionel Alexander Bethune Pilkington, F.R.S.  
The Rt.Hon.Lord Robens of Woldingham  
Lord Weir

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Anthony David Loehnis, Esq.

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 about the recall of Special Deposits which, originally, had been scheduled for the 8th February but which had been postponed until the 8th April under the discretion given to the Governors by the Court on

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the 24th January. It was likely that the banking system would continue to need assistance, by not recalling Special Deposits, and, perhaps, by extending the temporary facilities for gilt sales and repurchase to the clearing banks. In the circumstances it would be preferable to cancel the recall scheduled for the 8th April rather than to postpone it again. He proposed, therefore, that the Court should give the Governors' discretion to cancel this recall. This was approved.

With reference to a Minute of the previous week, the Governor informed the Court that, with the agreement of the Chancellor of the Exchequer, the intention to phase out the Supplementary Special Deposits scheme had been announced on the previous day. In this context the Bank's guidance on the direction of lending had been restated to the banking system in view of the liquidity problems which might arise unless the recent pace of their lending was moderated.

The Governor spoke to the Court on the following matters -

1. The Chancellor of the Exchequer's Budget statement and the reactions of the press.
2. Press comment on the Green paper on Monetary Control and the consultative Bank paper on the measurement of liquidity.

At the Governor's invitation, Mr. Page spoke to the Court about authorisations under the Banking Act. A discussion followed.

At the Governor's invitation, Mr. Blunden spoke about the Cash Limit which had been agreed with H.M. Treasury for 1980/81.

At the invitation of the Governor Mr.D.A.Walker, an Assistant Director and Sir Henry Benson, an Adviser to the Governor, attended Court: Mr.Walker spoke on the work of the Industrial Finance Division. As there was insufficient time it was agreed that Mr.Walker and Sir Henry Benson should be asked to attend a future meeting of the Court to give Members an opportunity for discussion.

The Governor mentioned that Sir David Steel had been invited to become the Chairman of the Mermaid Theatre Trust.

A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on the 20th March was laid before the Court.

*J.H. Dent*  
Assistant Secretary  
3rd April 1950

*L.H.*

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 3rd APRIL 1980

Present

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

George Blunden, Esq.  
Sir George Adrian Hayhurst Cadbury  
Sir Robert Anthony Clark, D.S.C.  
John Martin Clay, Esq.  
John Christopher Roderick Dow, Esq.  
Geoffrey Ayrton Drain, Esq.  
Leopold David de Rothschild, Esq.  
John Standish Fforde, Esq.  
Sir Jasper Quintus Hollom, K.B.E.  
Sir Hector Laing  
John Brangwyn Page, Esq.  
Sir David Edward Charles Steel, D.S.O., M.C.

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Anthony David Loehnis, Esq.

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 mentioned that, for presentational reasons, it had been decided that the recall of Special Deposits amounting to 1% of eligible liabilities scheduled for the 8th April should not now be cancelled but should be postponed until the 16th June. This had been announced on the previous Tuesday.

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With reference to Minutes of the 6th March and earlier, the Governor advised the Court that the temporary facilities made available to the clearing banks for the sale and repurchase of gilt-edged stocks would need to be extended beyond the 14th April and that it might be necessary to enlarge the amount of the facilities.

The following were laid before the Court -

1. A statement of Official Reserves at the end of March.
2. A Report from Sir Adrian Cadbury and Sir Robert Clark on their visit to the Newcastle Branch.

With reference to a Minute of the previous week, and at the invitation of the Governor, Mr.D.A.Walker and Sir Henry Benson attended Court to speak further on the work of the Industrial Finance Division. A discussion followed.

With reference to a Minute of the previous week, the Governor invited Mr.Page to speak to the Court about press comment concerning authorisations under the Banking Act.

At the invitation of the Governor, Mr.Blunden spoke to the Court about the expansion of Branch banking: a brief discussion followed.

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 Dumbartonshire  
the Court approved thereof and

ORDERED

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

The Governor spoke to the Court on an aspect of security in relation to Members of the Court and senior officials.

*Al Burt*  
Assistant Secretary  
10th April 1980

*C W M Mahon*  
10/4/80

A COURT OF DIRECTORS AT THE BANK

ON THURSDAY, THE 10TH APRIL 1980

Present

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

Sir Jasper Quintus Hollom, K.B.E.

Sir Hector Laing

John Brangwyn Page, Esq.

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

Lord Weir

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Anthony David Loehnis, Esq.

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 mentioned that the extension of the temporary facilities made available to the clearing banks for the sale and repurchase of gilt-edged stocks until the 14th May had been announced on the previous day and that it was possible that additional special assistance of this type might be needed during the coming week.

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

At the invitation of the Governor, Sir Jasper Hollow spoke to the Court about Stone-Platt Industries Limited.

A Report of the Trustees of the Court Pension Scheme containing a proposal for additional funding of the Scheme was submitted and approved.

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

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

A Certificate, signed by the Assistant Secretary, of the affixing of the Bank's Seal ordered on the 3rd April was laid before the Court.

Lord Robens was granted permission to become non-Executive Chairman of Snamprogetti, a wholly owned subsidiary of E.N.I., the Italian State energy authority.

*Belmonte*

*Secretary*

*17<sup>th</sup> April 1980.*

*Comma*

*17/4/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 17 APRIL 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, 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 Jasper Quintus Hollom, KBE

Sir Hector Laing

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

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 mentioned that the Bank had undertaken to make available to the clearing banks a further £500 million temporary facility for the sale and repurchase of gilt-edged stocks in order to relieve the continuing pressures on liquidity.

The following were laid before the Court -

- 1 The monthly report on Central Government Finance.
- 2 The quarterly analysis of Bank Advances as at 20 February.
- 3 The monthly Money and Banking Figures as at 19 March.
- 4 A Report of the Debden Committee covering the General Manager's half-yearly review of the operation of the Printing Works.

The current paper on Economic Developments Abroad was introduced by the Governor, who invited Mr Loehnis to speak: in the course of discussion, the Governor commented on the Iranian situation.

The Governor spoke to the Court on the following matters -

- 1 His forthcoming appearance before the Select Committee on the Treasury and Civil Service, which was currently inquiring into the Budget and the Government's medium-term financial strategy.
- 2 A communiqué on the strengthening of regular and systematic monitoring of international banking developments which had been issued by the Bank for International Settlements after the recent monthly meetings.

A Minute of the Committee of Treasury on representation of the Bank at meetings of BE Services Limited was read and approved and it was resolved that -

The Chief of Corporate Services, or failing him the Chief Registrar, or failing him the Secretary, all of the Bank of England, and for the time being, be authorised to act as the representative of the Governor and Company of the Bank of England at any meeting of BE Services Limited.

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[REDACTED]

At the Governor's invitation, Mr Blunden spoke about the dispute involving messengers working at the City offices of the National Westminster Bank Limited and its relevance to the clearing system.

*John G. Blunden*

*Secretary*

*24<sup>th</sup> April 1980.*

*John G. Blunden*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 24 APRIL 1980

Present

Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

John Martin Clay, Esq

John Christopher Roderick Dow, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

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

The Deputy Governor commented on the state of the markets.

The following were laid before the Court -

- 1 A statement of the Overseas Trade Figures for March.
- 2 A Report from Sir Alastair Pilkington and Mr Blunden on their visit to the Southampton Branch.
- 3 A Report of the Staff Committee covering the Chief of Corporate Services' annual review of Salary Policy and Fringe Benefits. A discussion in general terms on the staffing of the Registrar's Department in view of heavy overtime working followed.
- 4 A statement of forthcoming retirements.

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

- 1 With reference to a Minute of the previous week, the Governor's recent appearance before the Select Committee on the Treasury and Civil Service. It had been a very successful meeting.
- 2 With reference to a Minute of 13 March, the present situation regarding the scheme to promote the appointment of non-executive directors in which the Confederation of British Industry was taking the lead and the Bank and other bodies were participating.

With reference to a Minute of the previous week, at the Deputy Governor's invitation Mr Page spoke about the course of the recent dispute involving messengers employed by the National Westminster Bank Limited and the conclusions that could be drawn from it.

A letter from Messrs McGrigor, Donald & 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 Glasgow

the Court approved thereof and

ORDERED

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

A Report by two Trustees of the Court Pension Scheme on the payment of a pension to Sir Jasper Hollom was submitted and approved.

*W. G. G. J.*  
Secretary.  
1 May 1980.

*C. W. M. Mahon*  
11/5/80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 1 MAY 1980

Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir Robert Anthony Clark, DSC

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

Lord Nelson of Stafford

John Brangwyn Page, Esq

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

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 17 April and earlier, the Governor  
also spoke about the management of the money market in the  
period immediately ahead and said that, at this stage, it  
seemed certain that the banking system would continue to need  
special assistance in the present banking month and that that  
would involve the extension of both the gilt-edged sale and

repurchase facilities and possibly the cancellation of the recall of Special Deposits, amounting to 1% of eligible liabilities, scheduled for 14 May. He added that it seemed unlikely that there would be a need to announce those measures before the next meeting of the Court but developments in the markets might point to bringing such an announcement forward.

The Governor spoke to the Court on the following matters -

- 1 With reference to Minutes of 17 April and earlier, some aspects of the Iranian situation.
- 2 The meetings in Hamburg of the Group of 10 Ministers and Governors and the Interim Committee which he had attended the previous week.
- 3 The official opening of the new Glasgow Agency earlier that week.

With reference to a Minute of 24 January, at the Governor's invitation Mr Loehnis introduced a paper which examined some implications of recent developments in the gold market. A discussion followed.

The following were laid before the Court -

- 1 A Report from Mr Pforde and Sir David Steel on their visit to the Bristol Branch.
- 2 A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on 24 April.

At the invitation of the Governor, Lord Robens spoke about impressions gained during his recent visit to the United States of America.

*H. G. Pforde*  
*Secretary*  
 8 May 1980.

*C. W. H. Mahon*

*8/5/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 8 MAY 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC

John Christopher Roderick Dow, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

The Rt Hon Lord Robens of Woldingham

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Anthony David Loehnis, Esq

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 followed at the close of which the  
Governor referred to the satisfactory nature of the money  
supply figures for the four weeks ended 16 April which would  
be published on the following Thursday.

With reference to Minutes of the previous week and earlier  
regarding the management of the money market, the Governor  
went on to speak about the reserve asset stringency, which  
had built up over recent months as a result of unusually low  
Government borrowing, large sales of Government debt, and the  
sustained demand for bank credit from the private sector, and  
was not being significantly eased in the current banking month.

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The Governor said that it had therefore been decided to extend, until next month, the temporary arrangements with the clearing banks for the sale and repurchase of Government securities. He also proposed, with the approval of the Chancellor of the Exchequer, the cancellation of the recall of Special Deposits, amounting to 1% of eligible liabilities payable on 14 May; and this was approved. The Governor observed that the actions which would be announced that day were intended to contain renewed upward pressure on very short-term interest rates which was not required to maintain continuing monetary restraint.

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

With regard to Minutes of the previous week and earlier, the Governor again spoke to the Court about the Iranian situation and mentioned the Government's intention to introduce legislation to enable it to impose economic sanctions.

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

At the Governor's invitation, Mr Blunden reported that the pay settlement for Printing Works Staff had recently been concluded within the cash limit previously approved by HM Treasury and Mr Page commented on a pay offer for clearing bank staff which had been accepted by the two trade unions concerned but which had not yet been agreed with the staff associations.

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

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

A Deed of Covenant with the Charities Aid Foundation,

the Court approved thereof and

ORDERED

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

*W. C. ...*  
Secretary  
15 May 1980

*W. C. ...* 15/5/80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 15 MAY 1980

Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, 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 Pforde, Esq

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

Lord Weir

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Anthony David Loehnis, Esq.

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 16 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 Certificate, signed by the Secretary, of the  
affixing of the Bank's Seal ordered on 8 May.

With reference to Minutes of the previous week and earlier, the Governor spoke about the passage of the Iran (Temporary Powers) Bill through Parliament.

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

The Governor informed the Court that, in response to a request by the Chairman of the Board of Governors of the Federal Reserve System, he had written to the main British banks about the Board's credit control programme.

The Governor spoke to the Court on the following matters -

- 1 The recent monthly meetings held at the Bank for International Settlements.
- 2 Press comment on the Bank's consultation paper on the measurement of liquidity and a speech which he was proposing to make on the subject of the Bank's supervisory role at a lunch for foreign bankers in the following week. He then invited Mr Page to comment on the next list of authorisations under the Banking Act 1979, which was due to be published shortly. A discussion followed.

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

*de la Roche*  
Secretary  
22 May 1980.

*John of Bedford*

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## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 22 MAY 1980

Present

Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

John Martin Clay, Esq

John Christopher Roderick Dow, Esq

Geoffrey Ayrton Drain, Esq

Leopold David de Rothschild, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

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Anthony David Loehnis, Esq.

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

The Deputy Governor commented on the state of the markets.

A statement of the Overseas Trade Figures for April was laid before the Court.

At the Deputy Governor's invitation -

- 1 With reference to Minutes of the previous week and earlier about aspects of the Iranian situation, Mr Loehnis spoke to the Court about some banking developments.



- 2 Mr Blunden reported that a pay claim had been submitted by the union which was considerably in excess of the total increase in the wage bill permitted under the cash limit approved by H M Treasury.

He also informed the Court that a member of the Printing Works staff had been dismissed, and charged by the police, for theft.

- 3 With regard to Minutes of the previous week and earlier, Mr Page commented on an updated list of institutions authorised to take deposits under the Banking Act 1979, which would be issued the following day, and referred to the speech on the Bank of England's supervisory role in relation to banks and other deposit-taking institutions which had been given by the Governor earlier in the week.
- 4 Sir Jasper Hollom spoke about impressions gained during his recent visit to the Far East.

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

The Deputy Governor spoke about a meeting in Paris of Working Party 3 of the Organisation for Economic Co-operation and Development which he had attended earlier in the week. The Court expressed their satisfaction and pleasure at the Deputy Governor's appointment as Chairman of the Working Party.

Sir Jasper Hollom was granted permission to join the boards of Portals Holdings Limited and BAT Industries Limited.

*h. b. j. h.*  
*Secretary.*  
 29 May 1980.

*Cum gratias*  
 29/5/80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 29 MAY 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

Sir Robert Anthony Clark, DSC

John Martin Clay, Esq

John Christopher Roderick Dow, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

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Anthony David Loehnis, Esq

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 from the present strength of sterling,  
a wide-ranging discussion followed covering, in general  
terms, such topics as exchange rate policy, fiscal and  
monetary policy, the loss of domestic industrial  
competitiveness and the question of reintroducing an incomes  
policy.

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

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The draft Accounts of the Bank for the year ended 29 February 1980 were laid before the Court and the Deputy Governor spoke about the figures and about suggestions for the appropriation of the operating profit of the Banking Department. A discussion followed, in which it was noted that if the payment to H M Treasury in lieu of dividend were maintained at the same level as in 1979, namely, £7.5 million, the Bank's net working monetary capital would be eroded by £2.2 million on a current cost accounting basis. The Court agreed that in negotiations with the Treasury the Deputy Governor should stress the importance that the Bank attached to current cost accounting and the inadvisability in general of companies paying dividends out of profits which, on a CCA basis, did not exist. Only if a dividend as low as £3.5 million were paid would the Bank's reserves remain intact in CCA terms and the Deputy Governor should therefore open negotiation by reference to this figure. It was unlikely in practice that a figure as low as this could be achieved but the matter should be referred back for the Court's consideration before settlement was reached on any larger amount. Provisional approval of the Accounts would be sought at the next Court.

The Governor spoke to the Court about the recent Committee on Invisible Exports Mission to Greece which he had led.

*D. G. Jones*  
*Secretary*  
*5 June 1980.*

*Ch. M. Callaghan*

*5/6/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 5 JUNE 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

John Christopher Roderick Dow, Esq

Geoffrey Ayrton Drain, Esq

Leopold David de Rothschild, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

Lord Weir

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Anthony David Loehnis, Esq

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 8 May and earlier, the Governor  
went on to speak about the recent severe reserve asset  
pressure on the banking system which had eased significantly  
in the present banking month but not sufficiently for the  
whole of the £1½ billion of temporary relief to be withdrawn.

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The Governor said that it was proposed therefore, subject to any unforeseen market developments, to allow the facilities with the clearing banks for the sale and repurchase of Government securities to expire when they matured; but he also proposed, with the approval of the Chancellor of the Exchequer, the cancellation of the recall of Special Deposits, amounting to 1% of eligible liabilities payable on 16 June; and this was approved.

The following were laid before the Court -

- 1 A statement of Official Reserves at the end of May.
- 2 A Report from Lord Robens and Lord Weir on their visit to the Manchester Branch.

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

With reference to a Minute of the previous week, the draft Accounts of the Bank were again laid before the Court together, on this occasion, 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 29 February 1980. At the Governor's invitation, Sir Jasper Hollom, the Chairman of Slater, Walker Limited commented on the Accounts of that company and mentioned that, while the auditors' report had again been qualified in one respect, this was not a matter which need give rise to concern; and Mr Somerset, the Chairman of EBS Investments Limited, attended and spoke about the Accounts of the latter company. The Governor said 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; and the Court gave their provisional approval to the Bank's Accounts.

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

G

A Report of the Staff Committee on the subject of an increase in pensions and allowances was submitted, together with a paper from the Chairman of the Staff Committee on the question of tapering this year's increase, in the cases of those in receipt of large pensions, which had been prepared following a discussion by the Committee of Treasury two weeks ago. At the outset, the interests of four Members of the Court, and the potential interest of another, were declared. The Governor reported that the Committee of Treasury had discussed the subject again that morning and, while they had expressed some anxiety on the matter generally, they had supported the view of the Staff Committee that extraordinary circumstances did not exist and that pension increases should therefore not be tapered. The Report of the Staff Committee was accordingly approved.

An experimental issue of a shortened and more popular version of the Assessment and Economic Commentary in the Quarterly Bulletin, to be entitled "Bank Briefing", was exhibited to the Court who commented favourably on it. It was mentioned that it was the intention to commence limited publication for a trial period of one year.

With reference to a Minute of 22 May, at the Governor's invitation Mr Blunden informed the Court of some developments regarding this year's pay negotiations.

The Governor mentioned that Mr Drain had been elected to serve on the EEC Economic and Social Committee.

The Governor also spoke about a recent successful meeting at the Bank with a group of senior industrialists.

*B. G. J. H.*  
*Secretary*

12 June 1980.

*John of Bedford*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 12 JUNE 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
George Blunden, Esq  
John Christopher Roderick Dow, Esq  
Leopold David de Rothschild, Esq  
John Standish Fforde, Esq  
Sir Jasper Quintus Hollom, KBE  
Lord Nelson of Stafford  
John Brangwyn Page, Esq  
Lord Weir

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Anthony David Loehnis, Esq

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

The Governor invited Mr Fforde and Mr Loehnis to comment on the state of the markets.

With reference to a Minute of the last week, the Governor mentioned the press reaction to the announcement made on the previous Thursday regarding the cancellation of the recall of Special Deposits amounting to 1% of eligible liabilities payable on 16 June and the intention that the facilities made available to the clearing banks for the sale and repurchase of Government securities would not be further extended when they expired on 12 June and 17 June.

The following were laid before the Court -

- 1 The monthly report on Central Government Finance.
- 2 A statement of forthcoming secondments.

The Economic Report for May 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 Accounts of the Bank for the year ended 29 February 1980, at the Governor's invitation Mr Blunden reported that negotiations with H M Treasury on the total payment to be made in lieu of dividend had been opened at a figure of £3.5 million, it having been emphasised that the Bank attached importance to the maintenance of its capital in current cost accounting terms. He said that that amount had not been acceptable to the Treasury as the level of the Banking Department's operating profit had been similar to that of the previous year in respect of which a total payment of £7.5 million had been made; and that, after discussion, the Treasury had indicated that they would be prepared to recommend to Ministers a figure of £6.5 million. In concluding that, in the circumstances, a total dividend payment of that amount would represent a satisfactory outcome for the year, the Court expressed the view that the Bank should continue to stress the importance that it attached to current cost accounting.

A recommendation by the Governor on the opening of two Discount Accounts was read and approved.

With reference to Minutes of the previous week and earlier, on the invitation of the Governor Mr Blunden spoke about the manner in which this year's pay claim might be settled. After discussion, the Court gave their approval to seeking to reach a settlement, within the constraints of the agreed cash limit, on an award to be effective from one date, namely, 1 July, and to be applied throughout the scales.

The Governor spoke to the Court on the following matters -

- 1 The recent successful meeting at the Bank of Central Bank Governors.
- 2 The annual report of the Bank for International Settlements.

With reference to a Minute of 13 December 1979 about a member of the Banking Staff at [redacted] who had been found "not guilty" of theft at a Crown Court trial, at the Governor's invitation Mr Blunden advised the Court of some further information which had come to light since the official had retired from the Bank under the terms of the Voluntary Severance Scheme.

*[Signature]*  
Secretary

19 June 1980.

*[Signature]*  
Governor of the Bank

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 19 JUNE 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

John Christopher Roderick Dow, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde and Mr Loehnis to speak about the state of the markets.

The following were laid before the Court -

- 1 A statement of the Overseas Trade Figures for May. Reference was made to the differing impacts of the present strength of sterling on different types of exporters.
- 2 The monthly Money and Banking Figures as at 21 May, from which it was noted that sterling M3 had risen by 2.1%, after seasonal adjustment.

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At the Governor's invitation -

- 1 Mr Dow spoke about the Assessment and other contents of the June edition of the Quarterly Bulletin, and, in particular, an article on Inflation and Management Accounting. With regard to a Minute of 5 June, he also referred to the first issue of "Bank Briefing" which repeated, in a shortened version, the main items covered in the Commentary. A discussion chiefly on methods of influencing pay developments followed.
  
- 2 With reference to Minutes of the previous week and earlier regarding this year's pay claim, Mr Blunden reported that the Bank's offer of a 17% across-the-board increase had been rejected by the union. He explained that the next step would be to hold a meeting of the Negotiating Council, as provided for in the procedures agreed between the Bank and the union. He warned that there was in prospect a possible conflict between the Bank's commitment to accept an arbitrator's award and its obligation to observe cash limits.
  
- 3 Sir David Steel spoke about impressions gained during his recent visit to the Far East.

*dcj*

*Secretary*

*26 June 1980.*

*Chancellor*

*26/6/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 26 JUNE 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor

Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC

John Martin Clay, Esq

Geoffrey Ayrton Drain, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde and Mr Loehnis to speak about the state of the markets.

With regard to the present tight conditions in the money market, the Governor advised the Court that substantial reserve asset pressure was again being experienced and that this was contributing to the upward tendency in short-term interest rates. This situation would probably continue, in part because of the calls on earlier sales of gilt-edged stocks and in part because of the seasonal rise in the note circulation. It was likely that there would

be a need to moderate these pressures by temporary facilities of the kind offered earlier in the year; in which case, an announcement would be made either on the following day or at the beginning of the next week.

The Governor spoke to the Court on the following matters -

- 1 With reference to Minutes of 22 May and earlier, an updated list of institutions authorised to take deposits under the Banking Act 1979 which had been issued earlier that week.
- 2 The report of the Wilson Committee which had been published the previous day and contained two recommendations regarding non-executive Directors of the Bank; a discussion followed. The Governor also mentioned the report of the Fisher working party on self-regulation at Lloyd's which would be published on the following day.

With reference to Minutes of the previous week and earlier, on the invitation of the Governor Mr Blunden advised the Court that as the union had not accepted the Bank's final offer of an across-the-board increase of 17%, the recent meeting of the Negotiating Council had ended with the recording of disagreement between the Bank and the union. In accordance with the recognised procedures, another meeting would be held within ten working days. He also mentioned that a claim had been submitted for an increase of two days in the annual entitlement for Governor's Leave and said that he would submit a recommendation to the Court on the matter in the following week.

With reference to a Minute of 10 April, a further Report of the Trustees of the Court Pension Scheme containing a proposal for additional funding of the Scheme was submitted and approved.

*H. Blunden*  
Secretary.  
3 July 1980.

*M. Blunden*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 3 JULY 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, 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 Jasper Quintus Hollom, KBE  
Sir Hector Laing  
John Brangwyn Page, Esq  
The Rt Hon Lord Robens of Woldingham  
Lord Weir

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

The Governor commented on the weekly Figures and the exchanges and invited Mr Fforde to speak about the state of the domestic markets.

With reference to a Minute of the previous week, the Governor mentioned that the Bank had undertaken to make available to the banking system temporary facilities for the sale and re-purchase of gilt-edged securities which, if fully utilised, would amount in aggregate to some £700 million. He said that it seemed likely that there would be a need to extend further assistance of that kind during the current banking month.

The Governor went on to speak about consideration which had been given to the question of the level of interest rates and said that there were signs that monetary growth had

(3)

moderated during banking June, and also that the underlying demand for credit from the private sector might be beginning to ease, with increasing evidence of downturn in the economy. While the Central Government Borrowing Requirement had so far been rather high in comparison to the forecast for the year as a whole, that had been financed by large debt sales; recent sales of gilt-edged stocks had secured substantial funding for the next few months. In the judgment of the authorities a lower Minimum Lending Rate was now appropriate to the achievement of the present monetary target of a 7-11% annual rate of increase of sterling M3 in the 14 months to mid-April 1981. 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 17% to 16%: and this was approved. The Governor emphasised that this move implied no change in or weakening of monetary policy.

The following were laid before the Court -

- 1 A statement of Official Reserves at the end of June.
- 2 A statement of retirements.

The Governor introduced the current paper on Economic Developments Abroad, which on this occasion presented new forecasts for the world economy this year and next, and invited Mr Holland, the Chief Adviser in charge of the International Division, to attend and speak about it. A discussion followed.

With reference to Minutes of 12 June and earlier regarding the Accounts of the Bank, it was reported that a total dividend payment of £6½ million for the year ended 29 February 1980 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.

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The Governor spoke to the Court on the following matters -

- 1 With reference to Minutes of 24 April and earlier, his forthcoming appearance before the Select Committee on the Treasury and Civil Service, which was currently inquiring into monetary policy. Prior to that, a group of senior Bank officials would meet the Committee on the following Monday.
- 2 A meeting of the National Economic Development Council which he had attended the previous day.

With reference to Minutes of the previous week and earlier, at the Governor's invitation Mr Blunden informed the Court that there were no further developments regarding the main pay negotiations and that the Negotiating Council would meet again to consider the matter on the following Monday. He then outlined the reasons for not acceding to the claim for an increase of two days in the annual entitlement for Governor's Leave and also spoke about a pay claim which had been lodged on behalf of the Electronic Data Processing Staff.

*John G. Blunden*  
Secretary

10 July 1980

*Robert of Bradford*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 10 JULY 1980

## Present

Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir Robert Anthony Clark, DSC

John Christopher Roderick Dow, Esq

Geoffrey Ayrton Drain, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

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

The Deputy Governor invited Mr Fforde to speak about the state of the domestic markets and then commented on the exchanges.

With reference to Minutes of the previous week, the Deputy Governor went on to speak about the reaction to the decision to reduce the Bank's Minimum Lending Rate and also mentioned that the Bank had undertaken to enlarge the temporary facilities available to the banking system in order to smooth out additional short-term money market pressures resulting from further large official sales of Government debt. He said that, if these additional facilities were fully utilised, they would amount in aggregate to some £900 million.

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

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

A Minute of the Committee of Treasury on the Annual Report and Accounts of the Bank, including the annual report by the Bank made in pursuance of Section 4(1) of the Banking Act 1979, was submitted and approved, subject to some minor drafting amendments.

The following were also submitted and approved -

- 1 A Report of the Committee on Permanent Control of Expenditure.
- 2 A Report of the Committee on Bank Premises regarding their work.
- 3 A Minute on an appointment recommended by the Governors.

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

- 1 With reference to Minutes of the previous week and earlier, the appearance of a group of four senior Bank officials before the Select Committee on the Treasury and the Civil Service. He said that the meeting had been an unqualified success.
- 2 A case to be heard at the Old Bailey the following day concerning fraudulent applications for a new issue of Government stock.

With reference to Minutes of the previous week and earlier about the pay negotiations, the Deputy Governor explained that it was understood that the Prime Minister had expressed the hope that the Bank's pay offer of 17% would be tapered in line with the decision taken in connection with proposed salary increases for Members of Parliament and senior

public servants. He said that the Committee of Treasury had discussed the matter that morning and had concluded that it would be inappropriate to withdraw, or seek to amend, the pay offer which had been made to the bargaining unit some weeks previously and which was within the constraints of the agreed cash limit. The Court concurred and noted that there would be a need to give careful consideration to the position of senior staff above the bargaining unit on Scales 10-12 at a later stage. The Deputy Governor said that some Members of the Committee thought that it would be preferable not to communicate with that group of staff on the subject at the present time; but that he considered that a decision on whether to do so would need to be taken by the Governor and executive Members of Court in the light of developments.

*K. G. G. G.*

*Secretary.*

*17 July 1980.*

*C. W. M. Mahon*

*17/7/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 17 JULY 1980

Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC

John Martin Clay, Esq.

John Christopher Roderick Dow, Esq

Geoffrey Ayrton Drain, Esq

Leopold David de Rothschild, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

The Governor mentioned the Government's recent decision to prepay this year the whole of a \$1.5 billion Eurodollar loan which would otherwise have matured between 1985 and 1988.

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 18 June.
- 3 The quarterly analysis of Bank Advances as at 21 May.

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

The Governor spoke to the Court on the following matters -

- 1 With reference to a Minute of the previous week, the decision to defer the publication of the Bank's Annual Report and Accounts, including the annual report by the Bank made in pursuance of Section 4(1) of the Banking Act 1979, until 30 July.
- 2 With reference to a Minute of the previous week, the court case in which a man had pleaded guilty to ten charges of procuring allotment letters for a new issue of Government stock by deception.
- 3 His recent successful visit to Hungary.

With reference to Minutes of the previous week and earlier regarding the pay negotiations, on the invitation of the Governor Mr Blunden informed the Court that the union had now intimated that they would be prepared to accept the Bank's final offer of 17% if the Bank were prepared to bring forward the effective dates for changes in the level of the London Allowance and of next year's pay settlement. Mr Blunden said that he would not recommend that a concession be made on either point.

Mention was then made of a letter addressed to the Chancellor of the Exchequer by the President of the Association of British Chambers of Commerce, and quoted by the press, which had included a highly misleading reference to the pay offer made by the Bank. Some Members felt that, in order to correct the record on the matter, it would be desirable to advise the President of that Association of the facts relating to the Bank's offer.

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Arising from a Report of the Advisory Committee of the Houblon-Norman Fund which had been laid before the Court, the Deputy Governor reported that awards for the year 1980/81 would once again fail to absorb the income for the year, let alone accumulated liquid funds. He referred to the continuing relatively high administrative costs borne by the Bank and said that the Trustees had recommended that, for the following year, the Fund should finance an experimental Houblon-Norman Fellowship, tenable in the Bank for one year, in addition to continuing to provide numerous smaller grants in the traditional way. The Court expressed themselves in favour of the proposal.

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

A Licencing relating to building operations carried out at the Printing Works since 1967;

A Deed of Postponement in respect of a house in the West Midlands,

the Court approved thereof and

ORDERED

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

*W. C. G. G.*

*Secretary.*

*24 July 1980.*

*C. M. M. M.*

*24/7/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 24 JULY 1980

Present

The Rt Hon Gordon William Humphreys Richardson MBE Governor  
Christopher William McMahon Esq Deputy Governor

George Blunden Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark DSC

John Martin Clay Esq

Geoffrey Ayrton Drain Esq

Sir Jasper Quintus Hollom KBE

Sir Hector Laing

John Brangwyn Page Esq

Sir Lionel Alexander Bethune Pilkington FRS

Sir David Edward Charles Steel DSO MC

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Anthony David Loehnis Esq

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

The Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

A Report of the Staff Committee on the subject of housing accommodation for pensioners was submitted. After discussion, the Court approved a recommendation that the Bank should sponsor on an explicitly limited and experimental basis the provision of five flats under a new scheme which had been launched by the Hanover Housing Association.

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

With reference to Minutes of the previous week and earlier regarding the pay negotiations, on the invitation of the Governor Mr Blunden spoke about a recent meeting of the Negotiating Council which had been convened to discuss the pay award for Electronic Data Processing Staff and also about separate meetings the previous day of management and of the union with the Advisory, Conciliation and Arbitration Service on the main pay claim.

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

The Governor spoke to the Court on the following matters -

- 1 With reference to Minutes of 26 June and earlier, updated lists of institutions authorised to take deposits under the Banking Act 1979 which had been issued the previous day.
- 2 A dinner with the Nationalised Industries' Chairmen which he had recently attended together with a number of Directors and senior officials.
- 3 With reference to Minutes of 22 June 1978 and earlier, the publication by the Bank and the City Communications Centre the previous day of a second edition of the guide entitled "Money for Business".
- 4 With reference to Minutes of 10 July and earlier, his recent appearance before the Select Committee on the Treasury and the Civil Service.

The Governor mentioned that Sir Jasper Hollom had accepted invitations to act as financial adviser to the Organizing Group for the North Sea Gas Gathering System and to succeed Lord O'Brien as Chairman of The Overseas Bankers Club (Premises) Limited.

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

*W. H. Jones*  
Secretary

31 July 1980.

*C. W. McMahon*

31. 7. 80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 31 JULY 1980

Present

The Rt Hon Gordon William Humphreys Richardson MBE Governor  
Christopher William McMahon Esq Deputy Governor

George Blunden Esq

Sir George Adrian Hayhurst Cadbury

John Martin Clay Esq

John Christopher Roderick Dow Esq

Geoffrey Ayrton Drain Esq

Sir Hector Laing

John Brangwyn Page Esq

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel DSO MC

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Anthony David Loehnis Esq

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

The Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

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

The Governor spoke to the Court on the following matters -

- 1 With reference to a Minute of 17 July, the press reaction to the Annual Report and Accounts of the Bank, which had been published the previous afternoon.



- 2 With reference to Minutes of the previous week and earlier, the recent appearance of the Chancellor of the Exchequer before the Select Committee on the Treasury and the Civil Service in the course of its inquiry into monetary policy.
- 3 The problems facing the Commonwealth Development Finance Company Limited and an intermediate course of action which could be taken in order to strengthen its financial position. The Governor said that he was satisfied that that approach to the situation would be the appropriate one to adopt and it was agreed that Sir Jasper Hollom, the Chairman of the Company, should be invited to submit detailed proposals on the lines of those described by the Governor.
- 4 The recent useful meeting at the Bank with the Panel of Academic Consultants.
- 5 His meeting the previous day with the Chairmen of the London Clearing Banks, at which the subject of the monetary situation and prospects had been the main topic of discussion.
- 6 The forthcoming meeting of the National Economic Development Council.

At the Governor's invitation -

- 1 With reference to Minutes of the previous week and earlier about the pay negotiations, Mr Blunden informed the Court that there had been further meetings of management and of the union with the Advisory, Conciliation and Arbitration Service on the main claim at which the Bank had put forward some minor variations of the original offer, the chief of which concerned the timing of the implementation of the pay award. He said that the union's general purposes committee had recommended that its executive council should reject the proposals and that the disagreement should be taken to arbitration.

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2 With reference to a Minute of 1 May, Lord Robens spoke about impressions gained during a further visit to the United States of America.

*L. C. J. ...*

*Secretary.*

*7 August 1980.*

*C. W. ...*

*7/8/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 7 AUGUST 1980

## Present

The Rt Hon Gordon William Humphreys Richardson MBE Governor  
Christopher William McMahon Esq Deputy Governor

George Blunden Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC

Geoffrey Ayrton Drain Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

John Brangwyn Page Esq

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel DSO MC

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

The Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets and the Deputy Governor to speak about the exchanges.

A statement of the Banking Figures as at 16 July was laid before the Court. At the Governor's invitation, Mr George commented on the figures and said that a preliminary estimate had indicated that sterling M3 (seasonally adjusted) had grown by about 5% during the month. That estimate might need to be revised in the light of subsequent information and it was not a useful pointer to

the underlying rate of monetary growth. He then explained the manner in which the July figures of the eligible liabilities of the UK banking sector had been inflated by the unwinding of distortions within the financial system that had built up over the period of operation of the Supplementary Special Deposits scheme. The Governor also spoke about the situation in some detail and emphasised that it was difficult to interpret data that had been so heavily distorted in one banking month.

With reference to a Minute of 3 July regarding temporary facilities made available to the banking system which would expire on the following Monday, the Governor said that the continuing pressures on the short-term money market made it inopportune for the whole amount of the special transactions to be unwound. An announcement had accordingly been made that morning of an offer of further facilities to those institutions which were subject to the reserve asset ratio requirement.

The Governor said that further facilities also made available to the banking system in the previous month were due to be unwound on 18 August and it seemed likely that it would be necessary to extend them as well, probably for a smaller amount than those maturing. An announcement to that effect would therefore probably have to be made before the next meeting of the Court.

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

The Governor introduced the current paper on Economic Developments Abroad and invited Mr Holland, the Chief Adviser in charge of the International Division, to attend and speak about it.



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

- (1) The case of [REDACTED], a suspended member of the Banking Staff, Scale 5; and the Court agreed that [REDACTED] be dismissed the Service.
  
- (2) With reference to Minutes of the previous week and earlier, recent developments regarding the pay negotiations and the information, which had been received while Court had been meeting, that the union's executive council had accepted the Bank's offer of a 17% pay increase, on the understanding that the Bank would be willing to consider with the union a change in the settlement date to 1 March or 1 April for 1981; and that the Bank recognised that the union might exercise the option to re-open the present settlement should the union believe that circumstances so warranted. He said that in a letter to the union it had, however, been made clear that there was no implication that the Bank was in any way committed to meeting a claim submitted on that basis or to advancing next year's settlement.

He then spoke about the level of increase to be awarded to those staff above the bargaining unit and, having recalled the Government's intention to taper the salaries of senior Civil Service officials and board members of the Nationalised Industries, and bearing in mind the Prime Minister's interest in the matter, he said that it would be difficult not to taper salary rises for senior Bank staff. He explained that it was proposed that the salaries of staff on Scales 10, 11 and 12 should be enhanced by a flat sum addition, equivalent to the maximum increase within the



bargaining unit on a 17% basis. The Court agreed with the conclusions reached by the Committee of Treasury that morning that, in the circumstances, there was no alternative to tapering senior salary increases and that the method proposed represented a reasonable solution to the problem. In the course of a discussion that followed, there was some support for the view that the bargaining unit represented staff at too senior a level in the Bank's rank structure.

The Governor spoke to the Court about a meeting of the National Economic Development Council which he had attended the previous day.

*W. G. G. G.*

*Secretary*

*14 August 1980.*

*Letter of Report.*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 14 AUGUST 1980

Present

Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Geoffrey Ayrton Drain, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Lord Nelson of Stafford

John Brangwyn Page, Esq

The Rt Hon Lord Robens of Woldingham

Lord Weir

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

The Deputy Governor commented on the state of the markets.

With reference to a Minute of the previous week regarding temporary facilities made available to the banking system which would expire on the following Monday, the Deputy Governor reported that an announcement had been made that morning of an offer of further facilities, equivalent to 1½% of eligible liabilities and for repayment on 15 September. He said that all banks had been requested, while these facilities remained in existence, not to increase significantly their holdings of British Government securities with more than twelve months to maturity.



With reference to a Minute of the previous week, on the invitation of the Deputy Governor Mr Fforde introduced the Money and Banking Figures as at 16 July and confirmed that during the four week period sterling M3 had grown by 5%, after seasonal adjustment. He explained the manner in which the banking system had re-adjusted its business following the ending of the Supplementary Special Deposits scheme and said that, so far as could be judged at present, after having made allowance for that re-adjustment and other special factors, it did not appear that there had been an acceleration in sterling M3 in July. The Deputy Governor then commented on the press treatment of the July banking statistics; and a discussion in general terms on various aspects of the money supply and monetary policy followed.

The Deputy Governor introduced the Economic Report for July and invited Mr Walker, an Assistant Director, to attend and speak about it: a discussion followed.

At the Deputy Governor's invitation -

- 1 With reference to Minutes of the previous week and earlier, Mr Blunden advised the Court of the reactions of the staff, including those above the level of the bargaining unit, and the union to this year's pay settlement and also of the manner in which the Bank had communicated down the management line following the issue of a newsletter on the subject by the union.
- 2 Lord Nelson and Mr de Rothschild spoke about impressions gained while representing British commerce and industry and accompanying the Foreign Secretary on visits to Brazil, Barbados, Venezuela and Mexico.

The Deputy Governor mentioned that the Bank had agreed to act as registrar for the new Government of Zimbabwe Settlement Term Annuity 1981-1988, to be issued to holders of Government of Southern Rhodesia Stocks under the terms of the debt agreement.

Sir Robert Clark was granted permission to become non-executive Chairman of Imperial Metal Industries Limited.

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

21 August 1980.

*K. Adams*

21/8/80.

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 21 AUGUST 1980

Present

Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC,

Geoffrey Ayrton Drain, Esq

Leopold David de Rothschild, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

Lord Weir

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

The Deputy Governor invited Mr Fforde to speak about the state of the domestic markets and then commented on the exchanges.

The following were laid before the Court -

- 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 29 February 1980.

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

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

- 1 A senior appointment.
- 2 The prospective interest of the Deputy Governor and other Members of the Court and the actual interest of Sir Jasper Hollom having been declared, the award of increases, with effect from 1 July 1980, in the pensions and allowances in payment to former Governors and Executive Directors.

At the Deputy Governor's invitation -

- 1 With reference to Minutes of 28 September 1978 and earlier regarding the Crown Agents, Sir Jasper Hollom spoke to the Court about the programme of the Tribunal to inquire into individual responsibility for the mistakes and losses that had occurred and about the nature of the questions which had been notified to the Bank as likely to be put to the Bank witnesses who would be called to forthcoming sessions.
- 2 With reference to a Minute of 7 August, Mr Blunden reported that the member of the Banking Staff, Scale 5, who had been dismissed had appealed against that decision and had asked that he might be allowed to resign instead. Mr Blunden explained that he was not prepared to put forward such a recommendation.
- 3 Sir Alastair Pilkington spoke about impressions gained during his recent visit to Sao Paulo, Brazil.

*Cum gratia*

11/9/80

## A MEETING OF DIRECTORS AT THE BANK

THURSDAY 28 AUGUST 1980

Present

Christopher William McMahon, Esq, Deputy Governor

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC,

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Lord Nelson of Stafford

Sir Lionel Alexander Bethune Pilkington, FRS

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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 invited Mr Fforde to speak about the state of the domestic markets and then commented on the exchanges.

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

- 1 With reference to Minutes of 24 July and earlier, updated lists of institutions authorised to take deposits under the Banking Act 1979 which had been issued the previous Friday.
- 2 With reference to Minutes of 15 September 1977 and earlier, an approach from the Secretary of State for Wales on the subject of the relocation of the Registrar's Department and the reply which had been drafted in the light of consideration given to the matter by the Committee of Treasury the previous week. A discussion in general terms on some aspects of the question followed.



- 3 With reference to Minutes of 11 October 1979 and earlier regarding the provision of a new computer centre for the Registrar's Department, the decision that it should be situated at New Change and the appointment of the main contractor for the project. The Meeting agreed that the surveillance of the work should be referred to the Committee on Bank Premises.
- 4 With reference to a Minute of 25 October 1979, the forthcoming trial at [redacted] of two former members of the [redacted] on an indictment of the theft of some carpet tiles.

Sir Jasper Hollom was granted permission to join the board of General Accident Fire and Life Assurance Corporation Limited.

*C. W. M. Malton*

*11/9/80*

## A MEETING OF DIRECTORS AT THE BANK

THURSDAY 4 SEPTEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Sir Robert Anthony Clark, DSC  
John Standish Fforde, Esq  
Sir Jasper Quintus Hollom, KBE  
Lord Nelson of Stafford  
The Rt Hon Lord Robens of Woldingham

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Anthony David Loehnis, 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 Meeting, having been circulated, were approved.

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

With reference to a Minute of 7 August regarding temporary facilities made available to the banking system which would expire on the following Monday, the Governor reported that an announcement had been made that morning of an extension of the facilities for a further month.

A wide-ranging discussion followed covering, in general terms, such topics as the spread of lending between categories of borrower; the pattern of public expenditure; the rate of inflation; and other aspects of the domestic economy.

*[Handwritten signature]*

The following were laid before the Meeting -

- 1 A statement of Official Reserves at the end of August.
- 2 A statement of secondments.

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

The Governor spoke to the Meeting on the following matters -

- 1 With reference to a Minute of 13 March, the publication by the Bank the following day of the paper on the measurement of capital, which had been discussed in detail with representatives of the banking community. He also mentioned the situation regarding the Bank's other two consultative papers on foreign currency exposure and the measurement of liquidity.
- 2 With reference to Minutes of the previous week and earlier, the postponement of the trial at [redacted] of two former members of the [redacted].

With reference to Minutes of 24 July and earlier, the Governor invited Mr Galpin, the Chief of Corporate Services, to attend and speak about the pay negotiations for Electronic Data Processing Staff. Mr Galpin outlined the elements of a proposed settlement, which would include an award of 9½% over the rates indicated by the particular inner London survey produced for the Bank and a move of the annual settlement date from 1 July to 1 October - the next settlement to be in October 1981. The Meeting expressed themselves in favour of the proposals.

*C. W. M. M. M. M.*

*11/9/80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 11 SEPTEMBER 1980

Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

John Christopher Roderick Dow, Esq

Geoffrey Ayrton Drain, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

Sir Lionel Alexander Bethune Pilkington, FRS

Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

The Minutes of the Court of 21 August, and those of the Meeting of 28 August were confirmed and those of the Meeting of 4 September, which had also been circulated, were approved.

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

With reference to Minutes of the previous week and earlier, the Governor reported that it had been announced that morning that the temporary facilities equivalent to 1½% of eligible liabilities made available the previous month to the banking system and due to mature the following Monday had been extended to Monday, 13 October.

The Governor went on to speak about the eligible liability figures and preliminary £M3 figure for banking August contained in a statement which had been laid before the Court. Reminding Members that the full money and banking figures for

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August would be taken at Court next week, the Governor said that preliminary indications were that £M3 may have grown by about 3% during the month. As in July the figures were again inflated by the unwinding of distortions within the financial system during the operation of the Supplementary Special Deposits scheme. He spoke also about a Treasury statement which commented on the monetary situation and announced the introduction of additional National Savings facilities which had also been laid before the Court. A discussion followed.

At the invitation of the Governor Mr Dow spoke about the Economic Report for August. He referred also to the Assessment to be published in the September edition of the Quarterly Bulletin. A discussion followed.

A statement of forthcoming secondments was laid before the Court.

The Governor spoke to the Court on the following matters -

- 1 The recent monthly meetings held at the Bank for International Settlements.
- 2 The meeting on the previous day with the Chairmen of the London Clearing Banks.

Three letters from Messrs Freshfields having been submitted together with four documents to be sealed -

With reference to a Minute of 6 March, a Deed of Release and an HM Land Registry Form 53(Co) relating to the release to Burmah Oil Trading Limited of security taken in November 1976

A Deed of Covenant with the Charities Aid Foundation

A Deed of Surrender and Supplemental Lease in connection with land at the Printing Works

the Court approved thereof and

ORDERED

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

*H. Gough*  
Secretary  
18 September 1980.

*Cwm Malton*  
18/9/80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 18 SEPTEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

John Martin Clay, Esq

John Christopher Roderick Dow, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

The following were laid before the Court -

- 1 A statement of the Overseas Trade Figures for August.
- 2 A Certificate, signed by the Assistant Secretary, of the affixing of the Bank's Seal ordered on 11 September.

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With reference to a Minute of the previous week, on the invitation of the Governor Mr George introduced the Money and Banking Figures as at 20 August and reported that during the five-week period sterling M3 had grown by 2.9%, after seasonal adjustment. In response to a request, the Governor then spoke at some length about the situation regarding the money supply, bank lending and interest rates.

At the Governor's invitation -

- 1 With regard to a Minute of the previous week, Mr Dow spoke about the contents of the September edition of the Quarterly Bulletin. Reference was made to a serious error in a radio commentary by the BBC on an aspect of the Assessment and it was felt that there was a need to correct the report that had been given.
  
- 2 With reference to a Minute of 31 July regarding the problems facing the Commonwealth Development Finance Company Limited, Sir Jasper Hollom, the Chairman of the Company, who had at the outset declared an interest in view of the assistance which the Bank might agree to give, spoke about the capital structure of the Company and the course of action which it seemed best to take in order to strengthen their financial position. He explained that the essence of the proposals was that the Bank should lend CDFC £10 million, on a reducing basis, at a rate of interest of 3%, the same rate as on the loan of £1½ million made to them earlier to offset the consequences of the blocking of their funds in Zimbabwe. The Court expressed themselves in favour of the proposal.
  
- 3 Sir Adrian Cadbury commented on impressions gained during his recent visit to Canada and the United States of America.

*K. G. ...*  
*Secretary.*  
 25 September 1980.

*C. W. ...*

25. 9. 80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 25 SEPTEMBER 1980

Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC

John Martin Clay, Esq

John Christopher Roderick Dow, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

John Brangwyn Page, Esq

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

The Minutes of the last Court, having been circulated, were approved. Arising therefrom, the Governor mentioned that he had been in touch with the Director-General of the BBC about the error which had been made in a radio commentary from whom he had received a very reasonable reply.

The Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

The Governor spoke to the Court on the following matters -

- 1 With reference to Minutes of 28 August and earlier, updated lists of institutions authorised to take deposits under the Banking Act 1979 which had been issued the previous Tuesday.
- 2 His acceptance of an invitation to be a Vice President of the 25th Anniversary Appeal for the Duke of Edinburgh's Award Scheme.



- 3 The circumstances relating to the possibility of engaging the services of a certain person and the reasons why he had decided that the Bank should not make an appointment of that nature. The Court supported the decision which the Governor had taken.

At the Governor's invitation -

- 1 Mr Loehnis spoke about the issues with which the forthcoming Annual Meetings of the International Monetary Fund and the International Bank for Reconstruction and Development were likely to be concerned.
- 2 Mr Page commented on impressions gained during his recent visit to South Africa and Zimbabwe.

Two Reports of the Staff Committee on  
the payment of certain gratuities and  
Educational Loan borrowing limits

having been submitted, the Governor invited Mr Galpin, the Chief of Corporate Services, to attend for those items. Both Reports were approved.

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

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

A Conveyance relating to the purchase of a house in Great Missenden

The Building Contract, in duplicate, in respect of the modernisation of the catering facilities in King's Arms Yard/Tokenhouse Yard

the Court approved thereof and

ORDERED

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

*H. C. ... Secretary, 2 October 1980.*

*See*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 2 OCTOBER 1980

Present

Christopher William McMahon, Esq, 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 Jasper Quintus Hollom, KBE

Sir Hector Laing

John Brangwyn Page, Esq

Lord Weir

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

The Deputy Governor invited Mr Fforde to speak about the state of the domestic markets and then commented on the exchanges.

The Deputy Governor spoke to the Court about two recent seminars on the subject of monetary control, held under the auspices of HM Treasury and the Bank. Attendance at the first had been confined to UK economists while the second, which had been held at the Bank, had been attended by foreign economists and central bankers. At the Deputy Governor's invitation, Mr Fforde, who had attended both meetings, outlined the main issues which had been discussed by the participants. Reference was made to the coherence of the seminars. They had virtually completed the consultative process begun by the Green Paper on monetary control and had provided a useful forum for an exchange of views. A discussion on various aspects of the subject followed.

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The first issue in a new series of quarterly papers which presented past developments in and the prospects for the prices of the main groups of commodities, and was entitled Quarterly Commodities Report, was introduced by the Deputy Governor who invited Mr Dow to speak. The question of the confidentiality of the paper was raised and it was left that the point should be considered.

The following were laid before the Court -

- 1 A Report from the Board of Directors of BE Services Limited covering the year ended 29 February 1980.
- 2 A Certificate, signed by the Secretary, of the affixing of the Bank's Seal ordered on 25 September.

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

*D. G. Brough*  
 Secretary  
 9 October 1980.

*C. W. M. M. M. M.*  
 9.10.80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 9 OCTOBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, 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

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

Lord Weir

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

With reference to a Minute of the previous week, a statement of Official Reserves at the end of September was laid before the Court.

A statement of the Banking Figures as at 17 September was also laid before the Court. At the Governor's invitation, Mr Fforde commented on the eligible liability figures and a preliminary estimate which had suggested that sterling M3 might have grown by between  $\frac{1}{8}$  and  $\frac{3}{8}$  during the month, after seasonal adjustment. He said that while that figure might need to be revised in the light of subsequent information and while the future prospects counselled caution, it did indicate a welcome improvement.

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. With reference to a Minute of the previous week about the confidentiality of the new Quarterly Commodities Report, Mr Dow said that a modified version, which omitted certain sensitive material, was now available to non-executive Directors, which would be suitable for wider circulation to their staffs.

With reference to a Minute of 25 September, on the invitation of the Governor Mr Loehnis spoke to the Court about the recent Annual Meetings of the International Monetary Fund and the International Bank for Reconstruction and Development and also about the manner in which certain procedural issues had been handled.

*John*  
Secretary.  
16 October 1980.

*den.*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 16 OCTOBER 1980

## Present

Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC

John Martin Clay, Esq

Leopold David de Rothschild, Esq

Geoffrey Ayrton Drain, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

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

The Deputy Governor invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to comment on the exchanges.

With reference to a Minute of the previous week, on the invitation of the Deputy Governor Mr Fforde introduced the Money and Banking Figures as at 17 September which indicated that during the four weeks sterling M3 had grown by 0.6%, after seasonal adjustment. He also commented on the outlook and expressed a qualified hope that a period of lower monetary

growth was in prospect. The Deputy Governor then spoke about the background to the speeches to be given by the Governor and the Chancellor of the Exchequer at the annual Mansion House dinner that evening and acquainted the Court of the main points the Governor was proposing to make.

The following were also laid before the Court -

- 1 A statement of the Overseas Trade Figures for September.
- 2 The quarterly analysis of Bank Advances as at 20 August.
- 3 A Report of the Debden Committee covering the General Manager's half-yearly review of the operation of the Printing Works.

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

At the Deputy Governor's invitation, Sir David Steel spoke about impressions gained during his recent visit to North America, including Alaska.

*D. C. Hoyle*  
Secretary.

23 October 1980.

*C. W. M. G. H. H. H.*

23. 10. 80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 23 OCTOBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

Sir Robert Anthony Clark, DSC  
John Martin Clay, Esq  
Leopold David de Rothschild, Esq  
Geoffrey Ayrton Drain, Esq  
John Standish Fforde, Esq  
Sir Hector Laing  
Lord Nelson of Stafford  
John Brangwyn Page, Esq  
Lord Weir

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges. The Governor reverted to a point about recent pressures on the maintenance of reserve asset ratios and said that it was proposed to remind the institutions which were subject to those requirements that the ratios must be observed throughout the banking month and not only at monthly make-up days. To that end, a system of checks would be instituted.



The Governor spoke to the Court on the following matters -

- 1 With reference to a Minute of the previous week, the speeches made by the Chancellor of the Exchequer and himself at the recent Mansion House dinner which had been accorded wide and positive press coverage. In response to a request, the Governor then commented at some length on criticisms which had been levelled at the role played by the Bank in the field of monetary control.
- 2 With reference to Minutes of 25 September and earlier, updated lists of institutions authorised to take deposits under the Banking Act 1979 which had been issued that day.
- 3 His meeting the previous day with the Chairmen of the London Clearing Banks.
- 4 A meeting the following day with the Panel of Academic Consultants.
- 5 Forthcoming appearances before the Select Committee on the Treasury and Civil Service of the Chancellor of the Exchequer and himself.

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

*H. G. Johnson*

*Secretary.*

*30 October 1980.*

*C. W. M. Malton*

*30.10.80*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 30 OCTOBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

John Martin Clay, Esq

Leopold David de Rothschild, Esq

John Christopher Foderick Dow, Esq

John Standish Fforde, Esq

Lord Nelson of Stafford

John Brangwyn Page, Esq

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

With reference to Minutes of the previous week, the Governor spoke to the Court on the following matters -

- 1 The Bank's recent reminder to those institutions which were subject to the reserve asset ratio requirement of the need to maintain the ratio each day, which had been widely and favourably reported by the press.

- 2 The tenor and loss of a sense of balance of some recent articles by financial journalists in a certain newspaper, and an apology which he had received from the editor.
- 3 The recent appearance of the Chancellor of the Exchequer before the Select Committee on the Treasury and Civil Service. The Bank had prepared two papers for the Committee which the Governor was due to meet on the following Monday.

A Report of the Committee to consider the Securities of Certain Funds, embracing both the Committee's Quarterly Report and Annual Review of current policy, and which contained a recommendation that the Committee's Terms of Reference be amended in one respect, was submitted and approved.

A Minute of the Committee of Treasury on revised arrangements for the use of the Bank Seal and the custody of the keys was read and approved.

At the Governor's invitation -

- 1 With reference to a Minute of 31 July, Lord Robens commented on impressions gained during a further visit to the United States of America.
- 2 Sir David Steel spoke about a recent meeting of the International Energy Agency which he had attended in Paris.

*bcj*  
Secretary.  
6 November 1980.

*Comm. mem.*  
6. 11. 80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 6 NOVEMBER 1980

Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Sir Robert Anthony Clark, DSC

John Martin Clay, Esq

Leopold David de Rothschild, Esq

John Christopher Roderick Dow, Esq

Geoffrey Ayrton Drain, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

A statement of the Banking Figures as at 15 October was laid before the Court. At the Governor's invitation, Mr Fforde commented on the eligible liability figures and a preliminary estimate which had suggested that, contrary to earlier expectations, sterling M3 might have grown by 2% during the month, after seasonal adjustment.

With reference to Minutes of the previous week and earlier, the Governor spoke to the Court about his recent appearance before the Select Committee on the Treasury and Civil Service.

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

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

A Report of the Committee on Permanent Control of Expenditure, which incorporated figures showing the results of the Banking Department's operations for the half-year ended 31 August 1980 and contained an estimate of the possible outturn for the full financial year, was submitted and approved.

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

A Deed of Covenant with the Hanover Housing Association Charitable Trust

A Deed of Variation, in triplicate, relating to a tenancy at Bank House, Manchester

the Court approved thereof and

ORDERED

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

At the Governor's invitation, Lord Weir spoke about impressions gained during his recent visit to Spain and Sir Robert Clark commented on economic conditions in Sweden.

The Governors, Executive Directors and Mr Loehnis having withdrawn, Lord Nelson introduced a Minute of the Committee of Treasury on the remuneration of those Members of the Court who rendered exclusive service and of Mr Loehnis, Associate Director; and the Court approved thereof.

*bcj*  
Secretary  
13 November 1980

*Cornwall*  
12/11/80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 13 NOVEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

Leopold David de Rothschild, Esq

John Christopher Roderick Dow, Esq

Geoffrey Ayrton Drain, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

With reference to a Minute of the previous week, on the invitation of the Governor Mr Fforde introduced the Money and Banking Figures as at 15 October and confirmed that during the four week period sterling M3 had grown by 2%, after seasonal adjustment.



The Economic Report for October was introduced by the Governor, who invited Mr Dow to speak: a discussion on aspects of the question of wage settlements followed.

The Deputy Governor commented on a recently published notice which provided guidance on the arrangements which the Bank wished to see observed for new issues in the UK capital market.

At the Governor's invitation -

- 1 Sir Adrian Cadbury spoke about the recent annual national conference of the Confederation of British Industry.
- 2 Sir Jasper Hollom spoke to the Court about -
  - (a) With reference to Minutes of 6 March and earlier regarding the support arrangements that had been made available by the Bank to the Burmah Oil Company Limited, the acceptance by the Bank of full responsibility for the remaining sterling facilities, in view of the marked improvement in the position of the Company. The indemnity which had been provided by the Government to the Bank had accordingly been terminated.
  - (b) With reference to Minutes of 1 September 1977 and earlier concerning Slater, Walker Limited, the recent sale of a further part of the land with outline planning consent which had been acquired in connection with the reconstruction arrangements.
- 3 Sir Alastair Pilkington commented on impressions gained during his recent visit to New Zealand and Australia.

The Governor spoke to the Court on the following matters -

- 1 The recent monthly meetings held at the Bank for International Settlements.
- 2 Discussions which were being conducted with HM Treasury on the subject of monetary control.

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

A statement of forthcoming retirements was laid before the Court.

*Secretary*  
20 November 1980.

*Dean of the Court*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY 20 NOVEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor

George Blunden, Esq

Sir George Adrian Hayhurst Cadbury

John Martin Clay, Esq

Leopold David de Rothschild, Esq

Geoffrey Ayrton Drain, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

The Rt Hon Lord Robens of Woldingham

Sir David Edward Charles Steel, DSO, MC

Lord Weir

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

A statement of the Overseas Trade Figures for October was laid before the Court; a discussion arising from the further sharp decline in imports followed.



With reference to Minutes of 30 October and earlier, at the Governor's invitation Mr Loehnis spoke about a paper which had been prepared by the Bank for the Select Committee on the Treasury and Civil Service on the subject of inflow controls. In the course of discussion, the question of whether full participation by the UK in the European Monetary System would help relieve upward pressure on sterling was raised.

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

The Governor spoke to the Court on the following matters -

- 1 The theme of the lecture which he was due to deliver that evening to the Ashridge Management College.
- 2 With reference to a Minute of the previous week regarding discussions which were being conducted with HM Treasury on the subject of monetary control, the manner in which the Bank's income would be affected by possible changes in the Bank's operating techniques in the money markets and in the London Clearing Banks' cash ratio.

*H. Loehnis*  
Secretary.

27 November 1980.

*C. W. M. Mahon*

27. XI. 80

## A COURT OF DIRECTORS AT THE BANK

MONDAY, 24 NOVEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Leopold David de Rothschild, Esq

John Christopher Roderick Dow, Esq

John Standish Fforde, Esq

Sir Jasper Quintus Hollom, KBE

Sir Hector Laing

John Brangwyn Page, Esq

Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

The Governor apologised for having to summon Members at short notice. He spoke about some of the points in the statement which the Chancellor of the Exchequer would be outlining in the House of Commons that afternoon, including the announcement that the monetary target for the rest of the financial year would remain unchanged; the consultations which had taken place on methods of monetary control; changes to be developed in the Bank's methods of intervention in the money market; consideration which would be given to the future of the 1½% cash ratio currently applying only to the London Clearing Banks; and, discussions which would be held with the banks regarding the collection of additional statistics on retail deposits.

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He then referred to the level of Minimum Lending Rate and said that although sterling M3 and other broad monetary aggregates had grown rapidly in recent months, the other available evidence - the slow growth of the narrower monetary aggregates, the developments in the economy generally, and the sharp decline in the rate of inflation - had all indicated that policy was having a strong restraining influence. Moreover, it was expected that the rate of growth of sterling M3 would itself moderate in the New Year. Against that background and in the context of fiscal measures to be announced by the Chancellor that day, it was considered that nominal short-term interest rates could now be moderately reduced without undermining the firm monetary discipline that policy must continue to exert. Accordingly, with the approval of the Chancellor of the Exchequer, he proposed that a change be made in the Bank's Minimum Lending Rate from 16% to 14%: and this was approved.

The Governor then invited Mr Fforde to comment on the background note on methods of monetary control which was being issued that day; and a discussion followed on aspects of the paper and on other issues relating to the matters which had been considered.

*W. G. Fforde*  
Secretary.

27 November 1980.

*Cwm Y Mallon*

27. XI. 80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 27 NOVEMBER 1980

Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq  
Sir George Adrian Hayhurst Cadbury  
Sir Robert Anthony Clark, DSC  
Leopold David de Rothschild, Esq  
John Christopher Roderick Dow, Esq  
Geoffrey Ayrton Drain, Esq  
John Standish Fforde, Esq  
Sir Jasper Quintus Hollom, KBE  
Sir Hector Laing  
Lord Nelson of Stafford  
John Brangwyn Page, Esq  
Sir Lionel Alexander Bethune Pilkington, FRS  
The Rt Hon Lord Robens of Woldingham  
Sir David Edward Charles Steel, DSO, MC  
Lord Weir

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Anthony David Loehnis, Esq

The Minutes of the Courts of 20 November and 24 November,  
having been circulated, were approved.

The Governor commented on the weekly Figures and invited  
Mr Fforde to speak about the state of the domestic markets  
and Mr Loehnis to speak about the exchanges.

With reference to the Minutes of 24 November, the Governor  
went on to speak about the reactions in the press to the  
decision to reduce the Bank's Minimum Lending Rate and to  
the Chancellor of the Exchequer's economic statement and  
said that the general tone had been mixed. He also  
commented on coverage of the monetary control proposals.  
A discussion on aspects of these matters followed.

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

- (1) With reference to Minutes of 23 October and earlier, the publication of further updated lists of institutions authorised to take deposits under the Banking Act 1979, and also of a list of overseas deposit-taking institutions which had established representative offices in the United Kingdom.
  
- (2) His meeting the previous day with the Chairmen of the London Clearing Banks.

A Report from Sir Hector Laing and Sir Alastair Pilkington on their visit to the Glasgow Agency was laid before the Court.

At the Governor's invitation, Sir Hector Laing spoke about a recent visit to the United States of America and Sir Robert Clark commented on impressions gained during a short stay in Finland.

*C. M. Malton*

4. XII. 80

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 4 DECEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
Christopher William McMahon, Esq, Deputy Governor

George Blunden, Esq

Sir Robert Anthony Clark, DSC

John Martin Clay, Esq

Leopold David de Rothschild, Esq

John Christopher Roderick Dow, Esq

John Standish Fforde, Esq

Sir Hector Laing

John Brangwyn Page, Esq

Sir Lionel Alexander Bethune Pilkington, FRS

Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

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

The Governor commented on the weekly Figures and invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to speak about the exchanges.

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

The current paper on Economic Developments Abroad, which on this occasion presented new forecasts for the world economy to the end of 1982, was introduced by the Governor, who invited Mr Loehnis to speak. A discussion followed.



A Report of the Staff Committee on a review of borrowing limits under the Housing Loan Scheme was submitted and approved. A further Report of that Committee covering the Chief of Corporate Services' annual review of the Premises Division was laid before the Court.

The Governor spoke to the Court about a meeting of the National Economic Development Council which he had attended the previous day.

With reference to Minutes of 4 September and earlier, the Governor informed the Court of the outcome of the trial at [redacted] of two former members of the [redacted].

*H. B. J.*

Assistant Secretary

*John of Raffard*

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 11 DECEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
George Blunden, Esq  
Sir George Adrian Hayhurst Cadbury  
Sir Robert Anthony Clark, DSC  
Leopold David de Rothschild, Esq  
John Christopher Roderick Dow, Esq  
Sir Hector Laing  
Lord Nelson of Stafford  
John Brangwyn Page, Esq  
Sir Lionel Alexander Bethune Pilkington, FRS  
The Rt Hon Lord Robens of Woldingham  
Sir David Edward Charles Steel, DSO, MC

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

The Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets. The Governor invited Mr Sangster, Assistant Director, Foreign Exchange Division, to attend and speak about the exchanges; a discussion followed.

A statement of the Banking Figures as at 19 November was laid before the Court. At the Governor's invitation, Mr George commented on the eligible liability figures and a preliminary estimate which had suggested that sterling M3 might have grown by 2% during the month, after seasonal adjustment. He said that this estimate, which had surprised the market, was in part a reflection of the greater than expected Central Government Borrowing Requirement figure for November.

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

The Governor informed the Court that the Annual Reports and accounts of Slater Walker Limited and EBS Investments Limited, for the year ended 29 February 1980, would be filed with the Registrar of Companies before the end of the current month.

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

At the Governor's invitation, Sir Adrian Cadbury spoke about impressions gained during recent, short visits to Paris and Hamburg.

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

An Underlease relating to parts of the basement, ground, first, second and third floors of Bank House, Bristol  
The Court approved thereof and

ORDERED

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

*W. G. G. G.*  
Secretary.

*John of Bradford.*

18 December 1980.

## A COURT OF DIRECTORS AT THE BANK

THURSDAY, 18 DECEMBER 1980

Present

Christopher William McMahon, Esq, Deputy Governor  
George Blunden, Esq  
Sir George Adrian Hayhurst Cadbury  
John Martin Clay, Esq  
Leopold David de Rothschild, Esq  
John Christopher Roderick Dow, Esq  
Geoffrey Ayrton Drain, Esq  
John Standish Fforde, Esq  
Sir Hector Laing  
Lord Nelson of Stafford  
John Brangwyn Page, Esq  
Sir Lionel Alexander Bethune Pilkington, FRS  
Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, Esq

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

The Deputy Governor invited Mr Fforde to speak about the state of the domestic markets and Mr Loehnis to comment on the exchanges.

The following were laid before the Court -

- 1 A statement of the Overseas Trade Figures for November.
- 2 A Report from Mr de Rothschild and Mr Fforde on their visit to the Newcastle Branch.

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With reference to a Minute of the previous week, on the invitation of the Deputy Governor Mr Fforde introduced the Money and Banking Figures as at 19 November which indicated that during the five-week period sterling M3 had grown by 2.1%, after seasonal adjustment.

In introducing the December edition of the Quarterly Bulletin, which had been published the previous evening, the Deputy Governor explained the background to the interview which he had given that morning on the BBC's Today Programme. He then invited Mr Dow to speak about the Assessment and other contents of the Bulletin. Mr Dow also drew attention to the third issue of "Bank Briefing" and, having mentioned that the experimental period of its publication was nearing an end, he said that Members' comments and views on the venture would be welcomed.

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

- 1 A dinner which had been held at New Change the previous evening for members of the press.
- 2 The issue of some £5 notes which lacked the signature of the Chief Cashier.
- 3 A further tightening of security precautions at Head Office and the Branches in view of the present situation in Northern Ireland.
- 4 With reference to Minutes of 27 November and earlier regarding authorisations under the Banking Act 1979, an appeal which would be held in January 1981 against the Bank's refusal to grant [redacted] recognition as a bank.
- 5 With reference to Minutes of 20 November and earlier, a report from the Select Committee on the Treasury and Civil Service on the Government's economic policy which had been published that morning.

At the Deputy Governor's invitation, Mr Drain spoke about a meeting of the EEC Economic and Social Committee which he had recently attended in Brussels.

*J. Gough*  
Secretary  
8 January 1981.

*John of Bedford*

## A MEETING OF DIRECTORS AT THE BANK

WEDNESDAY, 24 DECEMBER 1980

## Present

The Rt Hon Gordon William Humphreys Richardson, MBE, Governor  
George Blunden, Esq  
John Martin Clay, Esq  
John Christopher Roderick Dow, Esq  
Geoffrey Ayrton Drain, Esq  
Sir Jasper Quintus Hollom, KBE  
Sir Lionel Alexander Bethune Pilkington, FRS  
Sir David Edward Charles Steel, DSO, MC

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Anthony David Loehnis, 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 Governor commented on the weekly Figures and invited Mr George, Assistant Director, Gilt-edged Division, to attend and speak about the state of the domestic markets, in the course of which he commented on the placement in the Issue Department of additional tranches of three gilt-edged stocks which had been created in order to facilitate management of that market over the holiday period, and Mr Loehnis to speak about the exchanges.

With reference to Minutes of the previous week and earlier, the Governor spoke about the further report from the Select Committee on the Treasury and Civil Service on the Government's economic policy which had attracted widespread publicity.



At the Governor's invitation, Sir Jasper Hollom spoke to the Meeting on the following matters -

- (1) With reference to Minutes of 21 August and earlier regarding the Crown Agents, the proceedings of the Tribunal to inquire into individual and institutional responsibility for the mistakes and losses that had occurred and the appearances before it, first, of certain Bank staff from the former Exchange Control Department and, more recently, of other Bank witnesses, including the Governor and himself.
  
- (2) With reference to Minutes of 13 November and earlier concerning the Burmah Oil Company Limited, a High Court ruling that the Bank could be asked to provide certain information about discussions with the Government in connection with the support arrangements. On the previous day the Company had repaid the amount drawn under a standby facility made available by the Bank which had now been terminated.

With reference to Minutes of 27 November and earlier, the Governor mentioned the publication of further updated lists of institutions authorised to take deposits under the Banking Act 1979.

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

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

*W. H. Hollom*  
Secretary  
8 January 1981.

*John of Bedford*

## A MEETING OF DIRECTORS AT THE BANK

WEDNESDAY, 31 DECEMBER 1980

Present

Christopher William McMahon, Esq, Deputy Governor

Sir Robert Anthony Clark, DSC

Geoffrey Ayrton Drain, Esq, CBE

John Standish Fforde, Esq

Lord Nelson of Stafford

John Brangwyn Page, Esq

Sir David Edward Charles Steel, DSO, MC

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 invited Mr Fforde to speak about the state of the domestic markets and then commented on the exchanges.

At the Deputy Governor's invitation Mr Fforde spoke to the Meeting about the forthcoming announcement of a reduction (from 12½ per cent to 10 per cent of eligible liabilities) in the minimum Reserve Asset Ratio which the banks had been required to observe since the introduction of Competition and Credit Control in September 1971. This would be effective from 5 January 1981 and would relieve the seasonal pressure on liquidity which would otherwise lead to a rise in short-term interest rates. A brief discussion followed.

*J. C. Brangwyn Page*  
Secretary.  
8 January 1981.

*John Nelson of Stafford*

