

A Formal Notice of Lawful Instruction to the Treasury Select Committee.

To the Rt. Hon. Mel Stride (Chairman), Mr Steve Baker MP, Mr Anthony Browne MP, Ms Angela Eagle MP, Ms Julie Marson MP, Ms Alison Thewliss MP, Ms Rushanara Ali MP, Ms Harriett Baldwin MP, Ms Felicity Buchan MP, Mr Mike Hill MP, and Ms. Siobhain McDonagh MP.

Dear Members of Parliament,

This is my second attempt in recent months to elicit a response from the Treasury Select Committee's Chairman, Mr Mel Stride, concerning a completely proven but hardly known financial arrangement that was successfully used as an emergency measure back in 1914 by HM Treasury to stop a disastrous collapse of the British economy at the outbreak of the First World War.

A simple fiscal mechanism which, if implemented again today, would instantaneously reverse the appalling economic damage being done to our country. The massive financial collapse we are all witnessing—a collapse that's causing tens of thousands of small and medium-sized independent businesses to struggle for their very survival whilst enabling powerful 'global players' like Amazon and Walmart to go from strength to strength—**is actually all completely avoidable!**

Common sense, if nothing else, decrees that if our country's economy could be rescued in 1914 by HM Treasury creating debt-free and interest-free money which was based entirely on our sovereign nation's wealth, credit and creativity, then it could easily do so again today.

Unfortunately, this is extremely unlikely to happen as it would appear that our politicians from ALL of the political parties are collectively drowning in a sea of ignorance, arrogance and, it must be said, timidity. The evidence is also amassing that some of our more senior politicians in the higher echelons of the political class are happy to serve a secretive, hidden and corporate 'deep state' agenda that is steering all of humanity towards totalitarianism by pushing for a 'global reset' that's entirely based on a fake green and bogus science narrative.

Reading that last paragraph, I can now imagine that your immediate knee-jerk reaction will involve collective denial—you will just view the whole idea of there being some sort of hidden authoritarian agenda as a ridiculous 'conspiracy theory' and that this 'Formal Notice of Lawful Instruction to the Treasury Select Committee' now has no credibility whatsoever. You will not want to be told that there is actually a vast amount of information you do not know. You will not want to accept the huge array of tangible evidence that so-called 'conspiracy theorists' have uncovered and amassed over the years. And you will not want to step outside your comfort zone—or should that be your 'Westminster bubble'?

In my detailed [nine-page and completely evidence-based letter](#) to Andrew Bailey, the new Governor of the Bank of England, I lay out the proof that there is indeed an orchestrated level of hidden governance above our elected servants in Parliament. Just the simple fact that there

is a myriad of unelected and unaccountable so-called ‘think-tanks’, where powerful bankers, leading industrialists, media-moguls, ambitious politicians and members of royal families meet in total secrecy to discuss the future direction of the world, should be enough to set the alarm bells ringing.

That this deep state cabal exists to steer humanity without any sort of public consultation or accountability is clear to anyone with just an ounce of common sense. And when you see the state of the world today, with all the varied absurdities being allowed to go unchallenged, it’s not hard to believe that a ‘hidden hand’ is actually at play, steering us all away from our God-given freedoms and protection.

This deep state narrative, amongst many other things, involves conjuring up completely engineered ‘change’ and ‘chaos’, deliberately to undermine a sovereign and stable country from within, whilst allowing unfortunate decisions to be made both nationally and internationally that are clearly based on extremely bad and corrupted science. Indeed, this spurious and really quite appalling narrative is now alarming an ill-informed and distracted world into accepting, with increasing alacrity it has to be said, a worldwide Orwellian ‘corporatocracy’ that is an out-and-out affront to our own nation’s sovereignty, ancient freedoms and traditions.

But returning back to our very bleak economic outlook, this one simple and extremely effective action by the British Government today—that is having HM Treasury (rather than the privately-controlled and deep state-complicit Bank of England) create the necessary credit needed to underpin the entire lawful part of the British economy—would immediately resolve this entire situation. Not only would it mean that the British people safely ride out the worst [financial storm](#) in over three hundred years, but it would also completely frustrate these contemptible ‘globalists’ with their well-advanced plans to deceive and lock down humanity using conjured-up fear, outright lies and carefully planned obfuscations.

My first email (see Appendix A), on behalf of the [New Chartist Movement](#) and the very recently formed Hardwick Alliance for Real Ecology, was sent to Mr Mel Stride on May 18th for which I received no meaningful reply whatsoever. Apart from being a simple act of discourtesy, may I respectfully remind Mr Stride—and all of you on the Treasury Select Committee—that you are our public servants and that the British people require a much higher standard of engagement from you, especially as the information you are receiving is of national importance that affects the entire population of this country.

Indeed, the collective refusal by MPs over the years to address this extremely simple and effective monetary device that was nicknamed the ‘**Bradbury Pound**’ in 1914 by a grateful and reassured nation worried about the uncertainty of war (also known as **Treasury M0 at 100%** by economists (see Appendix B) and as **Sovereign National Credit** or **Sovereign Money** by money reformers), lends very real credence to our belief that this essential fiscal information is clearly and deliberately being stifled by those who either secretly support this hidden and nefarious agenda for establishing some sort of global corporatocracy, or who are just too scared and weak to go where the actual truth is.

It should go without saying that this deliberately hidden and deep state agenda is completely alien to the ancient freedoms and customs enjoyed by the British people with their protective Common Law Trial by Jury and Annulment by Jury Constitution as confirmed by the Great Charter of 1215. But it is also an agenda that is totally dependent upon the shenanigans of the private and fraudulent debt-creating central banking system remaining almost completely unknown by the general public and therefore completely off the radar of the British electorate.

The email I sent to Mr Mel Stride included my letter to the Governor of the Bank of England. This detailed letter, with its twelve incisive questions, leaves the reader in absolutely no doubt at all that there are very real problems indeed with the actual existence of the Bank of England and its current role in the governance of our country. This is especially true when you see the compelling evidence that our supposedly nationalised central bank is completely influenced and ultimately controlled by the secretive, unelected and unaccountable **Bank for International Settlements (BIS)**—a private bank in Basle, Switzerland that oversees over 95% of the world's money supply by directly controlling the top sixty-two of the world's central banks, including the BoE, the Federal Reserve and the European Central Bank. It operates as the central bank and pivot for the world's privately-run central banking system.

However, the BIS is a banking institution that is well under the radar of the British people. Barely one per cent of the population has ever heard of it, and even less know what it actually does. Indeed, if the British people knew the real history of this sinister and unscrupulous organisation, they would be demanding that those involved with steering our nation's economy had no further dealings with it whatsoever.

To illustrate this point, the longest-serving and most controversial Governor of the Bank of England, Montague Norman, was a clear Nazi sympathiser. He jointly created the BIS in 1930 with his good friend Hjalmar Schacht who was soon to become Hitler's finance minister. Indeed, this [article from the Independent newspaper](#) in 1997 would suggest it's quite credible to believe that in some vault at the BIS there are locked away some of the most politically sensitive documents of the Second World War.

It is alleged by some researchers that Montague Norman was involved in secret correspondence and possibly actual meetings with our enemies whilst our troops were dying on the battlefields of World War Two. Whilst it is [officially denied](#) that there were any meetings held during the war concerning the Board of Directors of the BIS (see Appendix C), it is generally agreed that the heavy veil of secrecy is so great with this virtually unheard of organisation that anything was, and is, quite possible.

To expose fully the real and hidden ambitions of the BIS, please let me remind you of what Professor Carroll Quigley, mentor to President Bill Clinton, wrote in his book entitled '*Tragedy and Hope—A History of the World in Our Time*' that was published in 1966. He wrote:

"The powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in

*concert, by secret agreements, arrived at in frequent private meetings and conferences. The apex of the system was the **Bank for International Settlements** in Basle, Switzerland, a private bank owned and controlled by the world's central banks, which were themselves private corporations. The growth of financial capitalism made possible a centralization of world economic control and use of this power for the direct benefit of financiers and the indirect injury of all other economic groups."*

Professor Quigley was someone who was completely accepted and trusted by the leading central bankers and was allowed the rare privilege of attending some of their secretive meetings behind closed doors. However, his eventual exposure of their shadowy intrigues and deep state agenda to create some sort of global corporatocracy meant that his reputation suffered and his work became very difficult to publish.

Returning to the Bank of England, we are told that it was nationalised in 1946. Wikipedia says:

"It was privately owned by stockholders from its foundation in 1694 until it was nationalised in 1946. The Bank became an independent public organisation in 1998, wholly owned by the Treasury Solicitor on behalf of the government, but with independence in setting monetary policy."

To support my assertion that there are very real problems with the Bank of England, I recently received a phone call from a retired senior 'insider' within the City of London who had read a draft of my letter to the BoE Governor that was sent to him by an intermediary who knew my late uncle, Sir Harry Pilkington (later The Lord Pilkington of St Helens), a Director of the Bank of England from 1955 until 1972. This gentleman said that he was glad that I had finally realised that *"the Bank of England is nothing more than a cancer cell within the good governance of our country"* and that his hero, Vincent C. Vickers (a BoE Director from 1910 until 1919, who witnessed at first hand the emergency implementation of the Bradbury Pound by the British Government), was absolutely right in everything he wrote in his book [**Economic Tribulation**](#) that was published in 1941 shortly after his death.

To introduce his book, Vickers actually said of the monetary system that's been overseen by the Bank of England since 1694, *"I still believe that the existing system is actively harmful to the state, creates poverty and unemployment, and is the root cause of war"*. A damning indictment if ever there was one!

The detailed evidence in my letter to Andrew Bailey cannot be ignored. It shows that this whole private central banking structure led by the BIS, along with the fraudulent debt-creating monetary system that has been imposed upon us without any sort of proper public consultation, is clearly working against all of us as an integral part of this planned Orwellian corporatocracy. If we want a genuinely peaceful and prosperous future and to be able to harness our own sovereign debt-free and interest-free money in order to provide the essential liquidity needed for our economy, then you, as our elected servants in Parliament, must now immediately address and make public the actual truth about money creation and money supply and what urgently needs to be done by the British Government to save our nation's economy from devastation.

According to Parliament's website, *"The Treasury Committee is appointed by the House of Commons to examine the expenditure administration and policy of HM Treasury, HM Revenue and Customs, and associated bodies, including the Bank of England and the Financial Conduct Authority."*

Your remit would appear to be very clear, very simple and very concise. However, when it comes to putting the Bank of England under any sort of close scrutiny, it would seem that you have had a lot of your teeth extracted!

The Bank of England was private and independent when first formed in 1694 and has functionally remained so ever since. The 'government ownership' into which it was supposedly taken in 1946 was only partial, for the Bank remains independent of government control even when it affects HM Government's own policies.

The evidence I'm about to put before you would appear to call into question your Committee's actual effectiveness. It would seem that some years ago the Treasury Select Committee had its wings well and truly clipped when dealing with the supposedly 'nationalised' Bank of England and its allowed 'independence' to be an integral part of the private central banking system led by this highly secretive and deep state orientated Bank for International Settlements. If I'm not correct here, then please do clarify and put me right.

But the evidence given to me by Mr David Pidcock, a lifelong campaigner for money reform (in Appendix D), would appear correct. According to *"Parliamentary Votes and Proceeding Rules regarding Nationalised Industries"* dated November 15th 1974, No.18, page 111, it states, under *Item 8 Nationalised Industries*:

*That there shall be a select committee to examine their reports and accounts, and to examine such activities of the Bank of England as are **not**:*

- (1) activities in the formation and execution of monetary and financial policy, including responsibilities for the management of gilt-edged, money and foreign exchange markets;*
- (2) activities as agent of the Treasury, in managing the Exchange Equalisation Account and administering Exchange Control; or*
- (3) activities as banker to other banks and private customers.*

[emphasis added]

It would appear that any sort of close scrutiny is the very last thing the Bank of England and the City of London actually wants. Using no doubt the good office of the City Remembrancer, it would seem to me that our elected servants in Parliament are quite deliberately faced with a system-created deception of 'smoke and mirrors' that on the surface appears to be protecting the commercial sensitivity and confidentiality needed by the private bankers and financiers to create 'wealth' and 'prosperity' for the nation, whilst in reality actually allowing massive fraud, debt and secretive agendas to thrive. As Tony Benn once said about Parliamentary Rules and Proceedings for Select Committees, *"we always got the same results as you would expect by sending geldings to stud!"*

So, with our parliamentary system of accountability apparently compromised, let's look once again at the situation in which we all find ourselves. The nation is facing a massive financial challenge like never before. There is, however, a very simple choice for the British people to take. Either we borrow debt-laden money from the criminal bankers—money that has been fraudulently conjured up completely out of thin air as debt (as we saw recently when the Bank of England magically 'created' yet another £100 billion)—or we can just harness the country's credit by drawing off, in a responsible way, debt-free and interest-free money that is based solely on our nation's collective wealth and creativity. As I've already written, it worked brilliantly in 1914 and it would work again to save our entire lawful economy from any sort of collapse.

To use common parlance—it's obviously a no-brainer! The only trouble is, hardly a soul in the country knows anything about the financial chaos of 1914 and how HM Treasury actually stopped it by initiating the Bradbury Pound. Virtually nobody knows about this extremely simple and effective fiscal arrangement. Because if they did and they fully understood the implications of harnessing Sovereign National Credit, they would know that there could never be a recession again; that mass involuntary unemployment would be a thing of the past; and that the [National Debt](#)—a completely insane and unsustainable 'debt' that has been arrived at by totally fraudulent means and which the Bank of England has overseen since 1694—would be annulled by the simple judicial use of Annulment by Jury. As a Common Law country, any action or actions involving *mens rea*, or deliberate malice aforethought, can be brought before a Jury of randomly selected people for complete and unequivocal remedy.

And let's not stop here—the entire global financial and central banking system, along with the privately-controlled financial markets which engineer 'bull' and 'bear' situations at will to suit the overall agenda, are all part of this criminal deep state scam of truly massive proportions that's designed ultimately to control supposedly sovereign nations through the imposition of unlawful debt. You only have to look at the [World's Debt Clock](#) to see the insanity that the entire world is having to endure.

So, with this crazy situation being allowed to prevail, there now has to be an urgent public debate—a proper national conversation—about money creation and money supply in order to educate the British people. The Treasury Select Committee, using its ability to employ and influence the mainstream media, must immediately go public on the successful history of the Bradbury Pound and actually challenge HM Treasury and the Government as to why this simple and completely proven fiscal measure of M0 at 100% has not been considered as a viable option to raise the huge amounts of money needed at this very difficult and devastating time for so many people.

We are not asking you to agree wholeheartedly with M0 at 100%—we are simply requiring you to make sure that the British people are fully aware that there is a very real CHOICE in this matter! It is essential that our nation's collective ignorance on money creation is now fully addressed by our elected servants in Parliament.

However, when it comes to this 'collective ignorance' about how a government can actually raise the necessary revenue needed to carry out its duties, my experience with MPs has hardly filled me with any sort of confidence. When I was first alerted to the story of the Bradbury

Pound back in 2012 by another former Director of the Bank of England, my MP at that time was Tim Farron. When another constituent and I went to see him, he admitted that he had never heard of the Bradbury Pound, nor for that matter had he ever heard of the BIS—and yet, by that time, he had been an MP in Parliament for seven years!

In 2016, I had a new MP, Sarah Wollaston, whom I went to see to test her level of knowledge. She had already been in Parliament for six years when she, too, had to admit that she had never heard of the Bradbury Pound nor the BIS. And finally, my latest MP, Anthony Mangnall, when I spoke to him on the phone earlier this year, also had to admit that he had never heard of the Bradbury Pound though he had heard of the BIS—but then couldn't tell me very much about it. It would appear that the City Remembrancer, Mr Paul Double, has done an excellent job during his long tenure in protecting the City of London from any sort of close examination by MPs into the dark arts of money creation and money supply! In my experience, ignorance amongst our elected servants would appear to be only as great as their timidity!

Timidity? Yes! In November 2013, [Early Day Motion 748](#) was signed by five Labour MPs. It read as follows:

“That this House notes that the hundredth anniversary of the Bradbury Pound on 7 August 2014 is a welcome reminder of the historic precedent for public credit as the sound basis for debt-and interest-free Treasury money and therefore the sound alternative to the national debt and interest-bearing bank money; congratulates the Forum for Stable Currencies for having promoted the public credit since 2002; and urges HM Treasury to follow John Bradbury's model and address social, economic and political issues across party lines in one fell swoop and avoid wholly unnecessary austerity cuts.”

Two of those Labour MPs were Jeremy Corbyn and John McDonnell. As relatively unimportant backbenchers, they appeared quite happy to promote the Bradbury Pound. As frontbenchers and as newly-created members of the Privy Council, they obviously realised that 'debt-and interest-free Treasury money' would not be viewed favourably by the City of London. However, within a fortnight of becoming Shadow Chancellor, I talked to John McDonnell on the phone about the Bradbury Pound. He said he recognised the importance of it all and promised to meet with me within a few weeks. After arranging a meeting with myself and Ellen Brown (a US attorney who is a life-long advocate of Treasury-issued money and public banking), his PA rang to cancel the meeting five minutes before he was due to turn up. For a further two years, myself and others tried to engage with both Jeremy Corbyn and John McDonnell over the Bradbury Pound and all to no avail—under no circumstances did they want to talk about it. They had bottled it!

Recently, one of our campaigning activists said publicly that today's government is no more than a 'government of occupation!' Indeed, for those of us who have done decades of serious research, it is quite clear that our political class prefers at all times to serve the financial and corporate interests of the City of London before the interests of those people who elected them in the first place.

Sadly, it is the people's collective ignorance about money creation and money supply that is now allowing a digital and electronic monetary system to take over to the very real and long-term detriment of the British people as the threat of a completely cashless and deep state centrally-controlled society looms.

As I have already stated, it is now your public duty immediately to inform the British people about the truth of how the British economy was saved in August 1914 using a fiscal measure that virtually no one today knows anything about. If you, who are now serving on the Treasury Select Committee, are untainted by the deep state and are genuine in your desire to serve the people who elected you, you really do not have a choice in this matter. We are not looking here at a 'conspiracy theory'—we are looking at a deliberately suppressed historical fact that needs to be made public urgently!

Further evidence attesting to the reality and efficacy of 'Sovereign National Credit' (aka 'Sovereign Money') is to be found in the published papers of noted academics and economists, including [Prof Richard Werner](#), [Jaromír Beneš](#), [Michael Kumhof](#), [Zoltan Jakab](#), [Ellen Brown](#) and others. A document summarising the work and publications of these proponents of alternative monetary systems is available upon request.

We now expect "Action this day!" from the Treasury Select Committee. Failure to alert the British public to the contents of this letter, thus guaranteeing that the people's collective ignorance about money creation continues to allow this criminal debt-creating financial system to go unchallenged, will be an enormous dereliction of duty on your part and it will almost certainly leave MPs vulnerable to prosecution under [Misconduct in Public Office](#) (see Appendix E)—a course of action that we would very much prefer not to initiate but, if it is to help save tens of thousands of independent businesses from financial collapse and thereby saving millions of jobs, we would seek to undertake without any hesitation whatsoever.

It is your clear public duty to now begin an immediate national debate on the common-sense option of embracing Treasury M0 at 100% (Sovereign National Credit) in order to reverse the growing financial chaos and devastation. And it is also your clear public duty to address the appalling level of public ignorance that exists about money creation and the criminal deep state's private central banking system. How can the world continue to allow a tiny handful of extremely powerful, unelected and completely unaccountable private bankers and financiers to control how much, or more accurately, how little money the world has to spend?

To alert and thus inform the British people in order to stop this complete insanity that's affecting our nation's future peace, prosperity and happiness, you are now required, as our elected servants, to start a national debate and public conversation about money creation and money supply; about the very existence and role of the private central banking system as portrayed by the Bank of England and its global regulator, the Bank for International Settlements; and about how HM Treasury stopped the financial collapse of August 1914 by harnessing the national credit of our nation to create debt-free and interest-free money.

A prompt and detailed reply from yourselves affirming how you will go about creating this national debate and public conversation is now required from you. You are obliged as public servants to do this in the shortest possible time—truth and common sense, not to mention

the Common Law, must not be left waiting, especially when so many people are facing personal financial ruin and the country as a whole is entering into the worst financial storm for over three hundred years.

History has shown that there is absolutely no need to acquire yet more unlawful debt from the deep state, power-crazed despots, nor do we want people suffering from an increase in more complex and invasive taxation. We just want what's right to be done! We want history to be repeated!

A comprehensive response from yourselves is required before your Summer recess.

Yours sincerely,

Justin Walker (jrgwalker@aol.com)

Supported by:

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Hardwick Alliance for Real Ecology,

The New Chartist Movement(www.newchartistmovement.org.uk)

Action4Justice (<http://www.action4justice.co.uk/>)

APPENDIX A: Initial letter unanswered by Mel Stride MP

From: jrgwalker@aol.com <jrgwalker@aol.com>

Sent: 18 May 2020 21:23

To: STRIDE, Mel <mel.stride.mp@parliament.uk>

Cc: brian@ukcolumn.org; julian@hardwickestate.co.uk

Subject: Open letter to the new Governor of the Bank of England

Dear Mr Stride,

I am writing to you in your capacity as the Chair of the Treasury Select Committee. I represent the New Chartist Movement and the Hardwick Alliance for Real Ecology.

The attached nine-page open letter by myself to Mr Andrew Bailey provides total and historical evidence as to how a simple fiscal arrangement by the Treasury in August 1914 prevented a complete collapse of the banks and the City of London at the outbreak of WW1.

This same action by the Treasury can be immediately implemented today to stop the British economy experiencing a Financial Armageddon and so secure a prosperous future for the tens of thousands of independent businesses who are currently facing going under with the resulting loss of millions of jobs.

This is extremely serious and I require you to immediately, and thoroughly, analyse the evidence that is provided in this letter and to then start a national conversation on Sovereign National Credit.

It is collective public ignorance that is allowing the private banking and financial system to create, issue and control our nation's money by fraudulently creating money completely out of thin air as debt. Our political class has completely failed us. Repeatedly, the politicians from both sides of the House have refused to enter into any sort of debate or dialogue about the role of the Bank for International Settlements; the incredible story around the 1914 Bradbury Pound; and the whole *raison d'être* for the Bank of England itself.

Please come back to me with a detailed response to the letter and how you will implement this national conversation. As I say in my letter to Mr Bailey, the truth genie is now well and truly out of the bottle. We are working with 'insiders' who have had enough of the criminality—there is definitely no going back to allowing this fraudulent financial and central banking system to go unchallenged.

A copy of the letter has been sent to the Treasury for the attention of the Chancellor of the Exchequer.

With kind regards,

Justin Walker

APPENDIX B: Treasury Letter to prove the existence of M0.

47a/2 est.vd/docs/hamon



Treasury Chambers, Parliament Street, SW1P 3AG

Miss Martine Hamon
Campaign for Monetary Reform
Eaton Terrace
LONDON SW1W 8TS

22 February 1993

Dear Miss Hamon,

Thank you for your letter of 25 January to the Prime Minister, who has asked me to respond on his behalf.

The Government can and does finance itself to a small extent by the issue of non-interest bearing money: this is the aggregate known as M0, the stock of which is currently some £19½ billion. The size of the stock of M0 is limited by the demand for this form of money.

If the Government tried to increase the amount of this type of finance beyond current demand for it, it would lose any control of interest rates in the economy, sterling would collapse, and inflation would take off.

The money that banks create is either interest-bearing or renders some sort of service that costs banks money to provide.

I hope this is helpful.

*Yours sincerely,
Anthony Nelson*

ANTHONY NELSON

APPENDIX C: Wartime Board of the BIS

BIS BOARD OF DIRECTORS

- 1940**
- Gates W. McGarrath, **USA**, Chairman.
 Sir Charles Addis, **London**, Vice-Chairmen.
 Dr. Carl Melchior, **Hamburg**, Vice-Chairmen.
- Dott. V. Azzolini, **Rome**.
 Prof. G. Bachmann, **Zürich**.
 Prof. Alberto Beneduce, **Rome**.
 Baron Brincard, **Paris**.
 Louis Franck, **Brussels**.
 Emile Franqui, **Brussels**.
 Leon Fraser.
 Dr. Hans Luther, **Berlin**.
 Clément Moret, **Paris**.
 D. Nohara, **London**.
 Montagu Collet Norman, **London**.
 Dr. Paul Reusch, **Oberhausen (Rheinland)**.
 Ivar Rooth, **Stockholm**.
 T. Tanaka, **London**.
 Dr. L. J. A. Trip, **Amsterdam**.
 Marquis de Vogüé, **Paris**.
- Alternates**
 Charles Farnier, **Paris**.
 H. A. Siepmann, **London**.
 Dott. Pasquale Troise, **Rome**.
 Dr. Wilhelm Vocke, **Berlin**.
 Paul van Zeeland, **Brussels**.

EXECUTIVE OFFICERS

- Gates W. McGarrath, President.
 Leon Fraser, Alternate of the President.
 Pierre Quesnay, General Manager.
 Ernst Hölse, Assistant General Manager.
 R. H. Porters, Manager.
 R. Pilotti, Secretary General.
 Marcel van Zeeland, Manager.

AS AT MARCH 31, 1940

ANNEX I

GRAMMES FINE GOLD — ART. 5 OF THE STATUTES)

| | | LIABILITIES | | |
|---|--|---------------|----------------|-------|
| | | | | % |
| I—CAPITAL | | | | |
| Authorized and issued 200,000 shares, each of 2,500 Swiss gold francs | | 500,000,000.— | | |
| of which 25 % paid up | | | 125,000,000.— | 25.0 |
| II—RESERVES | | | | |
| 1. Legal Reserve Fund | | 5,117,990.65 | | |
| 2. Dividend Reserve Fund | | 6,659,210.75 | | |
| 3. General Reserve Fund | | 13,217,521.48 | | |
| | | | 25,002,830.89 | 5.3 |
| III—LONG TERM DEPOSITS | | | | |
| 1. Annuity Trust Account Deposits | | 153,050,000.— | | 32.6 |
| 2. German Government Deposit | | 76,525,000.— | | 16.3 |
| | | | 229,575,000.— | |
| IV—SHORT TERM AND SIGHT DEPOSITS (various currencies) | | | | |
| 1. Central Banks for their own account: | | | | |
| Sight | | | 31,994,834.22 | 6.8 |
| 2. Central Banks for the account of others: | | | | |
| Sight | | | 1,545,497.74 | 0.4 |
| 3. Other depositors: | | | | |
| (a) Not exceeding 3 months | | 25,881.03 | | 0.0 |
| (b) Sight | | 1,116,090.44 | | 0.2 |
| | | | 1,139,891.47 | |
| V—SHORT TERM AND SIGHT DEPOSITS (Gold) | | | | |
| 1. Not exceeding 3 months | | 1,764,219.48 | | 0.4 |
| 2. Sight | | 11,182,591.38 | | 2.4 |
| | | | 12,946,810.84 | |
| VI—MISCELLANEOUS | | | 34,575,064.76 | 7.3 |
| VII—SURPLUS | | | | |
| Profit for the financial year ended March 31, 1940 | | | 7,962,186.65 | 1.7 |
| | | | 469,932,930.57 | 100.0 |

of the Bank for the financial year ending March 31, 1940, and we report that we have obtained all the information with the Note, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's books of the Bank, as expressed in the above-described Swiss gold franc equivalents of the currencies

PRICE, WATERHOUSE & Co.
Chartered Accountants.

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 Prof. Alberto Beneduce, **Rome**.
 Baron Brincard, **Paris**.
 Louis Franck, **Brussels**.
 Emile Franqui, **Brussels**.
 Leon Fraser.
 Dr. Hans Luther, **Berlin**.
 Clément Moret, **Paris**.
 D. Nohara, **London**.
 Montagu Collet Norman, **London**.
 Dr. Paul Reusch, **Oberhausen (Rheinland)**.
 Ivar Rooth, **Stockholm**.
 T. Tanaka, **London**.
 Dr. L. J. A. Trip, **Amsterdam**.
 Marquis de Vogüé, **Paris**.
- Alternates**
 Charles Farnier, **Paris**.
 H. A. Siepmann, **London**.
 Dott. Pasquale Troise, **Rome**.
 Dr. Wilhelm Vocke, **Berlin**.
 Paul van Zeeland, **Brussels**.

EXECUTIVE OFFICERS

- Gates W. McGarrath, President.
 Leon Fraser, Alternate of the President.
 Pierre Quesnay, General Manager.
 Ernst Hölse, Assistant General Manager.
 R. H. Porters, Manager.
 R. Pilotti, Secretary General.
 Marcel van Zeeland, Manager.

AS AT MARCH 31, 1944

ANNEX I

GRAMMES FINE GOLD — ART. 5 OF THE STATUTES)

| | | LIABILITIES | | |
|---|--|---------------|----------------|-------|
| | | | | % |
| I—CAPITAL | | | | |
| Authorized and issued 200,000 shares, each of 2,500 Swiss gold francs | | 500,000,000.— | | |
| of which 25 % paid up | | | 125,000,000.— | 25.0 |
| II—RESERVES | | | | |
| 1. Legal Reserve Fund | | 6,264,035.14 | | |
| 2. General Reserve Fund | | 13,342,650.13 | | |
| | | | 19,607,585.27 | 4.2 |
| III—LONG TERM DEPOSITS | | | | |
| 1. Annuity Trust Account Deposits | | 152,606,250.— | | 32.6 |
| 2. German Government Deposit | | 76,303,125.— | | 16.3 |
| | | | 228,909,375.— | |
| IV—SHORT TERM AND SIGHT DEPOSITS (various currencies) | | | | |
| 1. Central Banks for their own account: | | | | |
| Sight | | | 7,036,273.18 | 1.5 |
| 2. Central Banks for the account of others: | | | | |
| Sight | | | 1,273,478.17 | 0.3 |
| 3. Other depositors: | | | | |
| (a) Not exceeding 3 months | | 24,421.34 | | 0.0 |
| (b) Sight | | 1,550,426.40 | | 0.3 |
| | | | 1,574,847.74 | |
| V—SHORT TERM AND SIGHT DEPOSITS (Gold) | | | | |
| 1. Not exceeding 3 months | | 251,107.06 | | 0.1 |
| 2. Sight | | 29,300,057.25 | | 6.3 |
| | | | 29,551,164.31 | |
| VI—MISCELLANEOUS | | | 49,046,664.65 | 10.5 |
| VII—SURPLUS | | | | |
| 1. Brought forward from the financial year ended March 31, 1943 | | 446.53 | | |
| 2. Profit for the financial year ended March 31, 1944 | | 5,253,903.12 | | |
| | | | 5,254,349.65 | 1.1 |
| | | | 467,255,697.97 | 100.0 |

of the Bank for the financial year ending March 31, 1944, and we report that we have obtained all the information with the Notes thereon, is properly drawn up so as to exhibit a true and correct view of the state of the by the books of the Bank, as expressed in the above-described Swiss gold franc equivalents of the

PRICE, WATERHOUSE & Co.

**THE SELECT COMMITTEE
ON NATIONALISED
INDUSTRIES
(SUB-COMMITTEE C)**

MINUTES OF EVIDENCE

Session 1977-78

Wednesday 25 January 1978

**BANK OF ENGLAND
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 1977**

*The Rt Hon Gordon Richardson, MBE, Sir Jasper Hollom, KBE,
Mr George Blunden and Mr P A S Taylor*

*Ordered by The House of Commons to be printed
25 January 1978*

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SELECT COMMITTEE ON NATIONALISED INDUSTRIES

8 May 1978

Dear Mrs Rankin,

As promised, I enclose copies of the Minutes of Evidence taken on 18 and 25 January in the examination of the Report and Accounts 1976-77 of the Bank of England.

You may perhaps wish to mention, in replying to Mr Swan, that monetary policy and the management of the money market are activities of the Bank of England which are specifically excluded from the order of reference of the Select Committee (see item 8 of the enclosed Votes and Proceedings).

Yours sincerely,

G C O Key
Clerk to Sub-Committee C

Mrs P J Rankin
Secretary to Nicholas Ridley Esq, MP
House of Commons
LONDON SW1A 0AA

COMMITTEE OFFICE HOUSE OF COMMONS
LONDON SW1AOAA

01 219 3295 Direct Line
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Yours sincerely,

G.C.O.Key Clerk to Sub-Committee C

Mrs P J Rankin
Secretary to Nicholas Ridley Esq, MP
House of Commons
LONDON SW1A OAA

18 January 1978] The Rt Hon GORDON RICHARDSON, MBE, [Continued
Sir JASPER HOLLOW, KBE, Mr GEORGE BLUNDEN and Mr P A S TAYLOR

the crisis which I have described, we, of course, had to support some institutions which would not have called for support by themselves as individual institutions. I have seen the criticism that some of the institutions supported did not, to put it mildly, match the highest standards. We had to support some institutions which did not themselves deserve support on their merits and, indeed, institutions which fell outside the Bank's established range of supervisory responsibilities. But I felt, as I saw the tide coming in, that it was necessary to take the Bank beyond the banking system proper for which it was responsible into these deposit-taking institutions, because collapse there was capable of letting the wave come on to the institutions themselves; and the fact that very rapidly we had to extend our support to a wider circle, which included some reputable banking institutions, showed that our instinct that we were on very treacherous ground was sound. The other line of criticism I have seen relates to a comparison with the use of public funds in support of a manufacturing operation. Of course, there again it is different. What I have tried to show in this case is that there was a clear duty on the central bank to act; and I certainly would not like to be appearing before you today in circumstances in which I had failed to take the action which I then took, with the consequences I have described. Of course, when such operations are undertaken, they are bound to involve costs and sometimes the costs are heavy. But there is a need for a central bank exceptionally to meet such a crisis and it is an essential part of its duty. It is against such an eventuality that the Bank needs capital and reserves, on which this Committee has laid stress in its previous reports; and the action, I would suggest, is a proper use of those resources. That being said, what our Accounts have shown, and will show, is that the Bank has undoubtedly sustained, and will sustain, losses as a result of some of those support operations; but during their course we have actually managed to increase our reserves, despite the provisions against losses, and have additionally in each year made a direct contribution to public funds by the payment we made in lieu of dividend. The short point really is that we managed in

the years since 1973, which have been certainly the worst financial crisis since the 1930s, successfully to contain and then to overcome the collapse which threatened and which, if it had happened, would not merely have damaged financial institutions but would have spread out into the whole economy, with consequences both domestic and international. I have, of course, in the course of recent months, reflected on all these support operations with the benefit of hindsight, and, as I say, especially looking back in the tranquillity of our present transformed situation. In minor degree there are no doubt things one would have done differently with the benefit of hindsight; but I have absolutely no hesitation in saying that, faced with the same circumstances again—regrettable though they were—I would take the same strategic decision and would act in the same way.

4. Thank you. Could be just have one or two more details about that? How many deposit-taking institutions were assisted in the way you have described to us? I do not ask you to reveal the Bank's activities as a banker to other banks or private customers, because that is outside our remit. But can you give us the number?—I can give you some numbers. The Control Committee at one time or another approved support in varying degrees for 26 companies, and of those, 18 are still trading, either in their original form or after reconstruction or absorption into other companies.

5. Of the other eight, how many subsequently came into receivership or liquidation?—There were eight companies which, having at some stage in one form or another been in receipt of support from the Committee, subsequently were placed in receivership or liquidation.

6. Can you tell us the total amount of support that was given?—To those companies or to all of them?

7. To the 26 in all?—(Sir Jasper Hollow.) The figures here are a bit complex, because not all the 26 were supported totally by the Support Committee. Some of those reported to the Committee and kept under their eye were of an

House of Commons (Services), *continued*

Ordered, That the Committee have power to appoint Sub-committees and to refer to such Sub-committees any of the matters referred to the Committee.

Ordered, That Two be the Quorum of every such Sub-committee.

Ordered, That every such Sub-committee do have power to send for persons, papers and records; to sit notwithstanding any Adjournment of the House; and to report to the Committee from time to time.

Ordered, That the Committee have power to report from time to time the Minutes of the Evidence taken before Sub-committees and Memoranda submitted to them, and reported by them to the Committee.

Ordered, That any Sub-committee which may be appointed to deal with the organisation of, and the provision of services in the Library, do have the assistance of the Librarian.

Ordered, That any Sub-committee which may be appointed to control the arrangements for the Kitchen and Refreshment rooms do have power to appoint persons with expert knowledge for the purpose of particular inquiries, either to supply information which is not readily available or to elucidate matters of complexity within the Sub-committee's Order of Reference.

Ordered, That these Orders be Standing Orders of the House until the end of this Parliament.—(Mr Walter Harrison.)

- 7 House of Commons (Services).—*Ordered*, That Dr Reginald Bennett, Mr Richard Buchanan, Mr Robert Cooke, Mr James A. Dunn, Mr Ioan L. Evans, Mr Ben T. Ford, Mr Clement Freud, Mr Walter Harrison, Mr Paul Hawkins, Miss Margaret Jackson, Mr Jasper More, Mr Giles Shaw, Mr Edward Short, Mr Roger Sims, Mr Bernard Weatherill, Mr James Wellbeloved and Mr Phillip Whitehead be Members of the Select Committee on House of Commons (Services).

Ordered, That the Members of the Select Committee on House of Commons (Services) nominated this day shall continue to be Members of the Committee for the remainder of this Parliament.

Ordered, That this Order be a Standing Order of the House.—(Mr Walter Harrison.)

- 8 Nationalised Industries.—*Ordered*, That there shall be a select committee to examine the Reports and Accounts of the Nationalised Industries established by Statute whose controlling Boards are appointed by Ministers of the Crown and whose annual receipts are not wholly or mainly derived from moneys provided by Parliament or advanced from the Exchequer; and of the Independent Broadcasting Authority, Cable and Wireless Ltd., and Horserace Totalisator Board, and to examine such activities of the Bank of England as are not—

- (1) activities in the formulation and execution of monetary and financial policy, including responsibilities for the management of gilt-edged, money and foreign exchange markets;
- (2) activities, as agents of the Treasury, in managing the Exchange Equalisation Account and administering Exchange Control; or
- (3) activities as a banker to other banks and private customers.

Ordered, That the Committee do consist of Thirteen Members.

Ordered, That the Committee have power to send for persons, papers and records, to adjourn from place to place and to report from time to time.

Ordered, That the Committee have power to report from time to time the Minutes of the Evidence taken before them and any Memoranda submitted to them.

APPENDIX E: Misconduct in Public Office

<https://www.cps.gov.uk/legal-guidance/misconduct-public-office>

Under **English law**, **misconduct in public office** is a criminal offence at **common law** which dates back to the 13th century.

The offence carries a maximum penalty of **life imprisonment**. It is confined to those who are **public office** holders, and is committed when the office holder acts (or neglects to act) in a way that constitutes a breach of the duties of that office.

The **Crown Prosecution Service** guidelines on this offence say that the elements of the offence are when:

1. A public officer acting as such.
 2. Wilfully neglects to perform one's duty and/or wilfully misconducts oneself.
 3. To such a degree as to amount to an abuse of the public's trust in the office holder.
 4. Without reasonable excuse or justification.
-