

Volume III

After the Gold Standard, 1931-1999

1949 September 19

Memoranda concerning new gold prices as a consequence of the devaluation of sterling. Both memoranda were sent by H. S. Clarke, the first to the Principal at the Bullion Office of the Bank of England, and the second to a Mr. Fisher.

[no. 112]

Please note that as from the opening of business on Tuesday, 20th September, the following buying prices will become effective:—

"Good delivery" bar gold	248/-d. per fine ounce
"Bad delivery" bar gold	247/11d. per fine ounce
Sovereign or pair of half sovereigns	58/-d.
U.S. dollars	11/11d.
Sundry Gold Coin	246/9d. per fine ounce

Gold will be made available to the Authorised Dealers for issue to the Trade under the same terms and conditions as at present at the price of 252/-d. per fine ounce.

[no. 113]

Brief for talk with Sir Harry Goldsmith

Gold Prices

Following the devaluation of sterling we have a new parity price of gold of 250/- per fine ounce.

We shall buy from U.K. residents under the Exchange Control Act at the following prices:—

Bar gold	248/-d. per fine ounce
Sovereigns	58/-d. each
U.S. dollars	11/11d. each
Sundry Gold Coin	246/9d. per fine ounce

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Gold will be made available to the trade under the same terms and conditions as at present at the price of 252/-d. per fine ounce.

Our policy with regard to silver is to maintain, for the time being at any rate, our present relationship with the price in New York. This will give a price in London of approximately 63³/₄d. (Note for your own information: it does not pay to melt 925 [*sic*] coin until the price reaches approximately 72d.)

Source: *Bank of England Archives*, C43/144, 1946/2, nos. 112-113.