

# HARRISON TO VISIT WORLD BANK CHIEFS

**He Will Sail Tonight to Confer  
With Directors Who Will Meet  
Next Week at Basle.**

## TO AVOID BOARD SESSION

**Federal Reserve Governor Will  
Not Assume Place as Member  
—Silent on Topics of Talks.**

George L. Harrison, governor of the Federal Reserve Bank of New York, will sail tonight on the Bremen for Europe to confer with the heads of the various central banks who are to gather in Basle, Switzerland, next week-end for the meeting of directors of the Bank for International Settlements.

It will be Mr. Harrison's first visit to the World Bank since its formation in 1930, although he has made several visits to Europe since then, the last one about a year ago when he was in London at the World Economic Conference.

In the convention of the bank, drawn up in The Hague in January, 1930, the governor of the Federal Reserve Bank of New York was designated as a director. But before this, at the close of 1929, Secretary of State Stimson had issued a ruling forbidding the Federal Reserve to participate in the ownership or direction of the institution. In recognition of this ruling the articles of the bank provided that should any of the central bank governors designated as directors be unable to serve, the governors of the other institutions might appoint two nationals of the country involved.

### Harrison Held Still Eligible.

It was under this ruling that Leon Fraser, now president of the Bank for International Settlements, and Gates W. McGarrah, its first president, who retired in May, 1933, were appointed to the board. After Mr. McGarrah resigned no American was appointed to replace him, and last October it became known that the bank had urged Mr. Harrison to assume the place on its board that had been reserved for him in the original articles and which again had been made available by the resignation of Mr. McGarrah. At that time it was said by persons conversant with the convention of the bank that Mr. Harrison would have only to walk into a meeting of the board and take his place at the table if he chose to do so and if the State Department chose to ignore or reverse the 1929 ruling by Secretary Stimson.

Although he will be at the World Bank at the time of its meeting, a week from Monday, Mr. Harrison will not assume the official rôle to which he is entitled. In announcing yesterday his projected trip he stated that his purpose in going to Basle was primarily to confer with governors of the various central banks who would be gathered there without the necessity of going from capital to capital all over Europe to meet them individually.

He said he would meet with them on next Saturday and the following Sunday, but would not enter the meeting that they would hold on Monday in their capacity of directors. From this it appeared to Wall Street that the Federal Reserve authorities were to continue the outward form of the detachment from World Bank affairs imposed upon them by Secretary Stimson. But it also appeared that Mr. Harrison's trip revealed at least an unofficial participation in the deliberations of that institution.

### Silent on Topics of Discussion.

Mr. Harrison gave no indication yesterday of the subjects which he would discuss with the central bankers, including Montagu Norman, governor of the Bank of England; Clement Moret, governor of the Bank of France, and Hjalmar Schacht, governor of the Reichsbank.

Since Mr. Harrison met the central bankers in London a year ago, this country has depreciated the dollar by nearly 40 per cent and revalued it in gold, has nationalized all the gold in the country, has deprived the central banking system of some of its former functions and increased the Treasury's control over it, has extended the influence of government authority over all phases of banking and has embarked upon an experiment involving the purchase and inclusion in the monetary stocks of large amounts of silver. Abroad, the German moratorium has added to the complexity of international banking problems, and increased restrictions upon the movements of funds across international boundaries have been laid down by many countries.

Mr. Harrison is expected to be asked by his confreres abroad to explain some of the new measures that have been adopted in this country and he will in turn inquire about the monetary outlook in Europe.

### Conferred With Norman.

It was recalled yesterday that last December, when the authorities here were formulating plans for the official devaluation of the dollar that took place one month later, Mr. Harrison was reported to have held discussions with Mr. Norman by telephone by way of exploring for our government the possibilities of cooperation between Great Britain and the United States in a stabilization move. The conversations were reported then to have been broken off by Mr. Norman on the score that Great Britain could not consider a stabilization agreement with the pound above \$4.50 and with the future of the franc excluded from the arrangement.

Although the present trip will be Mr. Harrison's first visit to the Bank for International Settlements, it will not mark the first close contact between the Federal Reserve authorities here and the World Bank. The Federal Reserve Bank was authorized to open correspondent relations with the Bank for International Settlements shortly after the latter was organized and has maintained a small balance with that organization and acted on its behalf from time to time in this market.