

BASEL BANK D AMBITIOUS

Expansion Plans Outlined

Clearinghouse Role Sought on World's Postal, Rail and Telegraph Fees

America's Help Angled for as Financiers Greet Reserve Governor

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BASEL (Switzerland) July 8. (AP)

World financiers hope, it was revealed today, to turn the Bank for International Settlements into an instrument for solving complex intergovernmental monetary problems on a wide scale, including clearance of postal and telegraph payments and international rail and air travel fees.

To carry out this ambitious scheme, financiers admit, co-operation of the United States would be necessary, and the plans are being talked about during the visit here of George L. Harrison, governor of the New York Federal Reserve Bank.

Just as Geneva, the seat of the League of Nations, is the meeting place for world politicians, Basel, city of the international bank, would become the world center for financiers, under the plan.

The practical cessation of German reparations snatches the Bank for International Settlements from the political field and solidifies its position in the technical field, thus fulfilling the objects of the bank, described in its charter.

USEFUL FIELD

An immensely useful field of activities recently was begun with the bank becoming the clearinghouse for interpostal payments between Germany and Switzerland, without support of the Interpostal Union.

Great Britain will support and develop this plan, financiers say, and the bank may eventually arrange all the world's postal clearings.

It was learned, also, that plans are being formulated to spread the system to intergovernmental telegraph payments and even to state railroads.

If a traveler buys a ticket from Budapest to New York or Argentina this involves multiple payments and adjustments.

Under the new plan, the Bank for International Settlements would take care of all this, and also, perhaps, would function in the domain of international air travel and air postal service.

Harrison heard all about this at a dinner given in his honor last night by Leon Fraser, American president of the bank. Prominent officials were present.

This "shop talk" took a wider range tonight when Fraser invited all governors of central banks to meet Harrison at dinner for continuation of frank exchanges of views.

Harrison, like Montagu Norman, governor of the Bank of England, and other important financiers, is not loquacious, but it is believed he realizes the usefulness to the American people of conferring regularly and without brass bands on financial problems of mutual interest.

SAFEGUARD RIGHTS

These international conferences, it was pointed out, mean safeguarding of American rights which would be apt to be neglected if Americans of official status were absent.

It was learned that international financiers were pleased at the opportunity to talk with an American official representative as against the "observers" who often are present from the United States.

These financiers seemingly are convinced they cannot undertake practical projects without knowing American plans. Co-operation with America admittedly has become necessary.

Means of obtaining interest payments to American holders of the German Dawes and Young loan bonds were discussed at a private luncheon today by Harrison and Dr. Hjalmar Schacht, head of the Reichsbank.