

German and British Banks to Co-operate

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BADENWEILER, Germany, April 9.—It became known today in connection with the meeting of the directors of the Bank for International Settlements at Basle that Dr. Hjalmar Schacht of the reichsbank and Montagu Norman, governor of the Bank of England, held a long conference at this Black forest spa Saturday in which they canvassed the world financial situation.

After the conference it was learned the two financiers agreed upon closer coöperation between the German and British central banks, particularly in regard to exchange and credit problems.

Just how this coöperation is to work out in practice is still not clear, but it is believed it may be invoked in connection with the problem of Germany's foreign debt. Dr. Schacht is understood to have told Mr. Norman the German government and the reichsbank would refuse to undertake any currency experiments as they intend to hold the German mark at gold par at all cost.

Ability to Pay.

At the same time the reichsbank governor is believed to have raised the question of Germany's ability to pay the charges on Germany's foreign debt and intimated that Germany might have to take further drastic steps to limit payments abroad in order to preserve the currency stability. It is recalled that several days ago Dr. Schacht told the reichsbank shareholders, "The transfer problem which we had ample occasion to study in connection with reparations now also appears in connection with the commercial debts." This is taken as a warning that unless the creditors reduce interest and amortization charges Germany may decree a transfer moratorium on the deposit of certain interest and amortization charges in marks with the reichsbank. If this should occur, repercussions against German credit would be inevitable and it is believed Dr. Schacht and Mr. Norman discussed ways and means by which the Bank of England could assist the reichsbank.

Schacht in Basle.

BASEL, Switzerland, April 9.—(AP)—The German reichsbank's recent repayment of part of a credit to the federal reserve bank, the bank for international settlements, and the banks of France and England was described today by the reichsbank president as a move to give the institution greater freedom of movement.

Dr. Hjalmar Schacht, head of the reichsbank, discussed the repayment on March 4 of \$16,000,000 of an \$86,000,000 credit at a meeting today of governors of the issue banks who are here for the annual meeting of the bank for international settlements.

Dr. Schacht said he considered this was the only way for the reichsbank to procure more gold and gold currencies, and added that the management of his institution had firmly resolved to defend the status of the German mark.