

LONDON CREDIT AID PLEDGED TO REICH

Schacht and Norman Agree on
"Cooperation," Presumably
in Support of the Mark.

WORLD BANKERS CURIOUS

They Try Vainly at Basle Conference
to Get Clue to Berlin's Policy
—Schroeder Replaces Melchior.

Special Cable to THE NEW YORK TIMES.

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 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 cooperation between the German and British central

banks, particularly in regard to exchange and credit problems.

Just how this cooperation 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 costs.

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's 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.

Centre of Interest at Basle.

Special Cable to THE NEW YORK TIMES.

BASLE, Switzerland, April 9.—Dr. Hjalmar Schacht, governor of the Reichsbank, was the centre of attention at the monthly meeting of central bank governors at the Bank for International Settlements today, the other governors trying with little success to gain light on Germany's future financial policy.

Dr. Schacht had just given them a disturbing surprise by suddenly paying off Germany's \$70,000,000 credit, which was construed by some of the bankers as a possible manoeuvre toward reductions in Germany's private debts.

Dr. Schacht parried questions put to him by his associates, saying he had merely come here to learn as a beginner. With equal reserve he refused to say more to the press than "I am here as a tourist" and, upon being asked ironically if the tourist was coming back to Basle, "Yes, if they like me here."

Dr. Schacht was accompanied by Kurt von Schroeder, with whom he has replaced on the World Bank board Dr. Carl Melchior, whose resignation generally is connected here with Nazi anti-Semitism. The swift dropping of Dr. Melchior provided something of a jolt here, as his fellow directors had elected him vice chairman of the World Bank board and his big rôle in obtaining a favorable settlement of reparations for Germany had aroused admiring comment.

The Governors noted with approval that the World Bank's annual statement showed a profit of nearly \$3,000,000 in the past fiscal year. This is virtually the same as in the previous year.