

WORLD BANK PROPOSALS

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GUARANTEES FOR LOANS FOR RECONSTRUCTION

The broad features of the proposed World Bank plan have been outlined by a U.S. spokesman, says a Reuter message from Bretton Woods. Under the plan, which is now under consideration by a Commission of which Lord Keynes is chairman, loans would be guaranteed for reconstruction and development projects.

The spokesman visualised the greatest demand in history for capital for such purposes, and he emphasised that the bank would in no way compete with private international banks, but would mainly facilitate loans which otherwise could not be floated, or would have to be made on exorbitant interest rates.

It was indicated, too, that under the provisions of the World Bank all loans would be made public, thus avoiding much confusion among private banks. Twenty per cent. of the bank's funds would be kept as reserves and the other 80 per cent. used to guarantee loans. The capital would mainly come from private corporations and some from countries.

STATUS OF LEND-LEASE SILVER

In order to clarify the status of silver supplied on lend-lease to India, a statement has been made by Mr. E. M. Bernstein of the U.S. Treasury and executive secretary of the U.S. delegation at the World Monetary Conference. He declared that the original shipments of silver were for coinage and industrial use. But subsequent shipments were definitely intended to be sold to the public by the Government of India in order to lower open market silver prices and thus avoid the risk of inflation.

Mr. Bernstein had previously asserted that silver sent to India from the United States on the basis of "repayment by India in silver ounce for ounce" was used only for coinage.

SOVIET GOLD CONTRIBUTION

It has been denied, at Bretton Woods, says Reuter, that a "virtual ultimatum" was sent to Moscow regarding the Soviet gold contribution to the proposed stabilisation fund. There had been difficulties, a U.S. spokesman admitted, but these were being ironed out. The difficulties arose because the Russians thought that the U.S. delegation would back them up in their proposal to reduce the original gold contribution of countries devastated by war. The U.S. would have been willing to accept such a clause if it applied only to a few European nations with small gold holdings.

After the latest discussions of the Committee, the war devastated countries claimed their original gold payments to the fund should be reduced by 25 per cent., and even 50 per cent., according to the degree of devastation suffered by their country.

The British delegation stated they would not claim the status of a war devastated country. Therefore, they would not hold out for a reduction in their gold contribution.

BRITAIN'S SUBSCRIPTION

Questions relating to the amount of gold available to the British Government for the purposes of the International Money Fund and of the formation of a World Bank were answered by the Chancellor of the Exchequer in Parliament yesterday.

In reply to Sir Waldron Smithers (Chislehurst), Sir John Anderson stated that he could not anticipate what text the International Monetary Conference would formulate for the consideration of the Governments but under the joint statement of principles we could not be called on to make a gold subscription amounting to more than one-tenth of our reserves in gold and gold convertible currencies at the day on which the fund was established.

To Mr. Stokes (Ipswich) and Mr. Loftus (Lowestoft) the Chancellor stated he expected that the Bretton Woods Conference would complete their work very shortly but there would be an opportunity for discussion in the House of the proposals for a United Nations Bank before the work was finished. The proposals of the conference would be referred to the various Governments for acceptance or rejection.