

BRITISH EMBASSY,

WASHINGTON, D. C.,

February 20th, 1940

No. 181

My Lord,

1925/1/29.

With reference to my despatch No. 1306 of the 20th November, 1939 I have the honour to transmit to Your Lordship herewith copies of a draft Convention for the Establishment of an Inter-American Bank, a draft Charter and draft By-Laws for the Bank, which have been worked out during the past three months by the Inter-American Financial and Economic Advisory Committee, created by the Panamá Conference. The scheme has now been referred to the various governments who have been asked to indicate their acceptance of the convention, or present their fundamental objections, by March 15th, and it is even hoped to sign the definitive convention on April 14th - the fiftieth anniversary of the founding of the Pan-American Union. So far as the United States are concerned, however, the convention would require ratification by the Senate.

2. The Bank would be located in the United States, presumably in Washington or New York, and will have a capitalization of \$100,000,000. Shares will be valued at \$100,000. each. Governments participating in the bank must subscribe for a minimum number of shares, determined in proportion to the dollar value of the total foreign trade of the American republics during 1938, as follows: Costa Rica, Ecuador, El Salvador, Haiti, Honduras, Nicaragua and Paraguay - 5 shares; Dominican Republic, Guatemala and Panama - 10 shares; Bolivia - 15 shares; Uruguay/

The Right Honourable

The Viscount Halifax, K.G.,

etc., etc., etc. GHSP:FRHM:ACEM:DH

Uruguay - 20 shares; Peru - 25 shares; Chile, Colombia and Cuba - 30 shares; Mexico and Venezuela - 35 shares; Argentina, Brazil, and the United States - 50 shares. The bank will be set up as soon as five nations have agreed to subscribe for at least a total of 145 shares of stock of the bank.

3. I am sending copies of the enclosed documents to all His Majesty's Representatives in Central and South America for their information.

I have the honour to be,

with the highest respect,

My Lord,

Your Lordship's most obedient,
humble servant,

(SGD) LOTHIAN