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G.O.F.C. AGAINST LENDING PLAN

Accepts Bretton Woods Stabilization Objectives

Washington, March 25 (AP)—The United States Chamber of Commerce today recommended this country's participation in the international bank planned at Bretton Woods, but urged deferment of action on the companion international monetary fund.

The chamber, through a report to its Finance Committee approved by its board of directors, expressed "complete agreement" with the stabilization objectives of the Bretton Woods proposals. But, like the American Bankers Association, it criticized the proposed lending procedure under the monetary fund.

The report suggested that the \$9,100,000,000 bank could be set up independently of the \$8,800,000 monetary fund by a "slight amendment" to the articles of agreement and the bank could then study monetary stabilization and submit recommendations to the member nations.

"Ultraliberal Conditions"

The finance committee is headed by Robert M. Hanes, of Winston-Salem, N.C., a former president of the A.B.A.

The A.B.A. made a report last month calling proposed lending methods under the stabilization fund "novel and contrary to accepted credit principles." The U. S. C. of C. report referred to "ultraliberal conditions applying to credits."

The question of United States participation in the 44-nation postwar stabilization setup is now before Congress. The Administration has expressed opposition to such severing of bank and fund

Four Recommendations

The Chamber's specific recommendations:

1. That the United States participate in the international bank for reconstruction and development.

2. That the board of governors of the bank make a study of the question of monetary stabilization with a view to submission of recommendations to the nations concerning (A) any necessary broadening of its powers to include the negotiation of stabilization loans, (B) the international monetary fund, or (C) some other mechanism, with operations of the fund or other agency properly integrated with those of the bank.

3. That the bank assume such interim stabilization activities, including agreements and loans, as may be permitted by its articles of agreement, which give definite authorization for loans and guarantees in special circumstances for purposes other than specific projects of reconstruction and development.

4. That Congress defer action on the participation of the United States in an international monetary fund pending submission of recommendations by the board of governors of the bank with regard to the stabilization of exchanges.

The Committee urged "full disclosure of proposed postwar loans and other international financial undertakings of the United States as a means of gaining a proper perspective."

It stressed "the importance of sound management of experienced officials, if an international institution, whether intended for monetary stabilization or long-term credits, is to be successful."