

CHAMBER FAVORS MONEY FUND DELAY

It Would Speed World Bank
and Give It Interim Functions
of Companion Plan

ASKS STUDY FOR CONGRESS

Suggests Two Alternatives to
Final Approval of Bretton
Monetary Program

Special to THE NEW YORK TIMES.

WASHINGTON, March 25—The Chamber of Commerce of the United States, in a report of its finance committee approved by the Board of Directors, endorsed today participation by the United States in the International Bank, but urged that Congress defer action on the Monetary Fund proposed by the Bretton Woods conference.

The American Bankers Association has approved the bank, but has urged rejection of the fund and proposed that its functions be assumed by the bank.

The chamber report endorses the bank as an institution planned on a "strictly business basis" and one which was adequately safeguarded and had general support.

Concerning the fund proposal it expressed "serious doubts." It declared that there was need for adjustments in domestic and international trade policies before the setting up of "an institution in which the granting of credits might be regarded as somewhat automatic."

Warns of "Cross Purposes"

It said that the bank and fund would require careful integration of their operations and that there was "a serious question" with respect to their possible "operation at cross purposes" because the different regulations applying to them.

The report cited "widely differing interpretations of the fund plan in the United States and the United Kingdom" and stressed the danger of signing an agreement "which each thinks means something different."

After statement of the endorsement of participation in the bank, the report urged the following:

"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 agreements and arrangements for stabilization, (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.

"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.

Would Wait on Study

"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 report asserted that the bank could be set up more speedily under this program "than if immediate action by the nations on both institutions were needed."

"Apprehension is expressed," it stated, "that the extreme flexibility in exchange rates under the fund mechanism, together with the authorized continuance of exchange controls and bilateral agreements during the post-war transition period, would result in further instability of currencies and that stability would not be obtained."

Before the fund could operate successfully, the report contended, adoption of certain domestic and international policies by all members would be needed.

"First of all," it proceeded, "there must be assurance of peace. International stability of exchanges will occur only when sound fiscal and economic policies have been established by the nations and when the more pressing political problems have been solved. Among the measures which would contribute to this end are a post-war balancing of budgets and avoidance of inflationary policies."