

APR 30 1945

# CED Would Clarify Bretton Bank Plan

## New Conference Not Necessary, House Group Told

By the United Press.

WASHINGTON, April 30.—The Committee for Economic Development placed before the House Banking Committee today its formula for correcting alleged defects in the Bretton Woods monetary agreements without a new international conference.

The CED proposal was explained by Ralph E. Flanders, president of the Boston Federal Reserve Bank and chairman of the CED Research Committee, and by Harry Scherman, book-of-the-month club president and CED committee member.

Mr. Scherman explained the CED proposal that the International Bank of Reconstruction and Development set up in the Bretton Woods pacts be given power to make long-term stabilization loans and that the proposed monetary stabilization fund be limited to problems created by short-term currency fluctuations.

### Bank's Power Should Be Clear.

He pointed out that the bank loans were limited to specific construction projects "except in special circumstances." That exception might authorize long-term stabilization loans, he said, but the bank's power should be clarified to give it the specific authority.

He offered the CED formula as one which would be satisfactory to the Administration and at the same time meet the criticism of the American Bankers Assn., which had expressed the belief that war-created currency problems would deplete the fund.

The ABA advocated eliminating the fund and assigning its stabilization functions to the bank, but Administration spokesmen contended such basic changes would make a new international conference necessary.

### Would Keep Fund.

Mr. Scherman said the CED disagreed with the ABA over the question of eliminating the fund.

"We believe that, by making it clear that stabilization loans belong in the province of the bank, the function of the fund is more sharply defined and that this enables the Congress to preserve instead of possibly losing the momentous advances in international collaboration that were achieved at Bretton Woods," he said.