

APR 23 1945

Bretton Woods Bill Will Be Reported

Banking Committee Due to Pass Issue for Full Debate on Floor

By M. F. LAM

WASHINGTON, April 22.—The House Banking and Currency Committee is expected here to report out the Bretton Woods legislation for action by the House of Representatives.

Despite doubts that have prevailed heretofore that the Bretton Woods proposals could muster sufficient support in committee, the group is expected to send the measure along to the House and thus give the entire membership a chance to pass on the issue.

Individual members could thus withhold any objections which they have to the plans and would reserve freedom to oppose the measures on the floor.

Strong Support Factor

Because of the broad international questions raised and the importance of the proposals to United States foreign policy, individual members of the committee are believed to be reluctant, notwithstanding their personal views, to prevent the House as a whole and Congress from passing on the issues.

The strong support given by President Truman to the controversial monetary fund as well as to the International Reconstruction Bank is also a factor in the willingness believed to exist in the committee to open the way for House consideration.

A number of committee members had exhibited sufficient skepticism or opposition to the Bretton Woods plans to warrant the belief that defeat of the measure by the group is a possibility to be reckoned with. More recent events, however, are believed to have modified this situation sufficiently so that a green light, without commitments may at least be expected.

Competition with "State-controlled powerful economic units" was meanwhile seen as the alternative with which private American business is faced if the Bretton Woods agreements are rejected.

Agriculture, business labor leaders, constituting the National Planning Association's international committee today issued a special report urging adoption of the proposals for both the Monetary Fund and the bank as a "necessary means for the re-establishment of multilateral, non-discriminatory trade throughout the world."

British Views Vary

Warning that rejection of the plans would result in this country's "finding itself isolated in a world of hostile economic blocs," the NPA said: "private interests in the United States would then have to face the necessity of competing or bargaining with State-controlled powerful economic units. Bilateral agreements and manifold discriminations would become the rule rather than the annoying exception."

According to the view taken by the NPA group, "the free enterprise system in foreign trade, at least, would be seriously crippled and the United States would probably have to match the State management of other groups."

Views in Britain vary on the extent to which State control should be exerted over economic life, the study points out. Continuation and extension of the controlled sterling area is the foreign economic policy objective of an influential British group which vigorously opposes the Bretton Woods agreements. Under such a policy, member nations of the sterling area would find it economically preferable to trade with Great Britain rather than with the United States. The result would be increasingly to isolate the United States from trading with these nations. Such a program would promote conscious economic warfare and lead to the development of rival economic blocs, the committee warns.

In the United States, the emphasis is placed on the revival of worldwide, non-discriminatory, multilateral. As a potentially great creditor nation with large gold reserves and the most widely acceptable currency in the world, the United States can only benefit from suppression by other countries of their restrictions on international payments. With many industries uniquely geared to a large-scale production of goods desired by other nations, this country needs equality of access to foreign markets and assurance of stable monetary parities.

Will Encourage World Effort

Through acceptance of membership in the institutions proposed at Bretton Woods, the world at large would follow policies essentially

favorable to America's point of view. Adoption of the proposed agreements will not solve all the problems of attaining world economic prosperity, the committee asserts, but it will encourage the nations of the world to work out the other commercial and economic policies that are necessary to attain the goal.

The committee urges that possible amendment of the agreements be postponed until such action can be taken in the light of experience, under the provisions for amendment that are included in the plans for both the fund and the bank. The introduction of amendments dealing with the basic structure of the proposed institutions at this time, the report asserts, would be very dangerous. If a call for basic amendment is made, other voices than ours will be heard, the committee points out. Our demands would bring forth further demands for fundamental changes on the part of other countries. Another conference would become necessary. Such a conference, following a rejection by the United States of a compromise arrived at after a year and a half of work, would not be likely to take place in the same atmosphere of collaboration and search for a solution that prevailed at Bretton Woods.

The group, chairmaned by Stacy May, assistant to the president of McGraw-Hill Publishing Co., includes among its members Robert H. Patchin, vice president of W. R. Grace & Co. Mr. Patchin, however, withheld full concurrence in the report and in a dissenting statement objected to sterling area arrangements which, he said, would militate against multilateral trade and currency relations of prevent the convertibility of member currencies from sterling into dollars. "Stability without convertibility will have little utility so far as the restoration of multilateral trade relations is concerned," Mr. Patchin said.