

HEARINGS ON BRETTON WOODS ENABLING LEGISLATION
BEFORE HOUSE BANKING AND CURRENCY COMMITTEE

March 13, 1944 - 10:30 A.M.
(Fifth day of hearings)

Members of the Committee continued to question Mr. White.

A series of questions by Representative Crawford (R. Mich.) was directed to finding out whether the Bank would be used to assist in the normal short-term financing of American exports. Mr. White explained that the Bank would not carry on such short-term financing operations. He mentioned, however, that in the cases of countries devastated by the war the Bank may make long-term loans to finance the rebuilding of inventories. Mr. White pointed out that the Bank of course would help foreign countries to buy equipment in the United States. He also emphasized that the operations of the Bank would raise the national incomes and the productivity of foreign countries and thus lead to an expansion of our exports.

Mr. Crawford also asked whether in Mr. White's opinion the volume of savings resulting from a national income of 140 billion dollars would be too large for absorption through domestic investments. Mr. White replied that he did not know what the domestic demand for capital would be but that unless we helped foreign countries -- through the Bank and the Fund -- to rehabilitate their economies, our national income would not be 140 billion.

The hearings will be resumed tomorrow (March 14) with a continuation of the testimony of Mr. White.

Board of Governors
of the Federal Reserve System
Division of Research and Statistics
March 13, 1945