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PARLEY POINTS UP CONFLICT ON MONEY PLANS

42 Nations to Meet Next Month.

BY THOMAS FURLONG.

The basic conflict over methods of achieving currency stability after the war takes on immediate significance as the opening of world monetary conference approaches.

Representatives of 42 nations will assemble July 1 at Breton Woods, N. H., in response to a call by President Roosevelt. The conference will consider proposals for currency stabilization and a world bank.

Stable Exchange Is Goal.

The stabilization plan seeks to restore for individual countries stable ratios after the war. The bank would be established to help preserve these currency values. Provision is made in the plans for some changes in exchange ratios as the need arises.

Eight billion dollars of gold and national currencies would be put into the world bank, the United States providing 2½ billions, Great Britain, 1¼ billion, and Russia 1 billion. Participating countries could draw on the pool for currencies of other nations as their needs dictated, subject to certain limitations.

Could Continue Controls.

The latest plan does not contemplate the elimination immediately of all war time monetary controls. Special currency arrangements between individual countries could be continued for a three year period. Under this provision Britain could continue to operate the sterling currency bloc, but eventually would be under compulsion to abandon such arrangements.

The program that will be considered by the delegates is regarded as a compromise between the traditional gold standard and a managed currency system.

In essence the plan proposes to bring about currency stability within individual countries thru external controls, exercised by an international organization. But the powers of the organization thru necessity have been whittled down to a point where it is regarded as unlikely that the controls will be effective.

U. S. Approach Criticized.

The approach that the United States treasury has taken is criticized by many monetary authorities as fundamentally unsound. These critics believe that each country can achieve a stable economy and currency only by putting its own house in order. That means, it is agreed, balanced budgets, establishment of realistic and stable values for national currencies, and eventual return to the gold standard.

It was from Britain that pressure came to modify some of the original plans for currency stabilization. Altho John Maynard Keynes, the British economist who has been influential in shaping New Deal policy, has been identified closely with all the plans, the original proposals met with much opposition in Great Britain. They were regarded as too rigid, not permitting enough freedom of action for individual countries. English financiers, recalling their country's premature return to the gold standard after the last war, do not propose to put their country in another monetary strait jacket.