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U. S. Fund Approval Vital, Says White

Rejection by Congress Would Kill Monetary Plan, Press Is Told

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WASHINGTON, May 30.—Action of other members of the United Nations in joining a world monetary stabilization fund would be "remote" if Congress rejects plans developed at the forthcoming world currency conference, Harry D. White, Treasury Department Director of Monetary Research, declared here today.

In a meeting with the press which was designed to clarify questions on the world currency proposal agreed to by technical experts of some thirty United Nations, Dr. White noted that the pivotal position of this country in the stabilization plans arises importantly from the fact that its gold participation in the fund will be the largest of any single power.

However, he also stated that the conference would not result in commiting any of the powers who are represented. It will be open to each government taking part in the conference to modify the formulation which may be agreed to, Dr. White said.

Objections in banking quarters to the proposal to set up a $10,000,000 World Reconstruction and Development Bank were said by the Treasury spokesman to arise from the bankers' apprehension that the proposal represents an "extension of governmental activity into an area which can be handled without Government aid or interference."

The Treasury feels that the currency plan is of the first importance, and the world bank secondary to this, Dr. White declared, although he stressed the complementary nature of the proposals.

According to present Treasury plans, the bank plan as well as the currency proposal will be taken up when representatives of the United Nations meet at the conference, scheduled to begin July 1 at Bretton Woods, N. H.

Dr. White mad the following additional points on the currency and bank proposals:

1. Notwithstanding limited permissible changes in the value of local currencies contributed to the fund, the gold value of the total $8,000,000,000 central fund would be preserved. This result was said to be assured by the requirement that any country altering the value of its local currency in terms of gold must put in sufficient additional currency so that its total currency in the fund equals the former gold value.

2. Extension of the activities of both the $2,000,000,000 Stabilization Fund and the Export-Import Bank would be necessary if no other plan were in effect at the cessation of hostilities.

3. Rationing of scarce currencies by a country would mean that a particular power might allocate use of the scarce currency allotted to it by means of import permits to its nationals.

The fund also would be empowered to apportion the scarce currency among member nations.

In discussing a situation in which dollars might be exhautsed in the fund, Dr. White commented that "all you can do with gold is buy other currencies. If all the dollars were gone from the fund, this country could still with its full quota buy any currency in the fund."

"Every currency is as good as any other currency, when you want to buy goods," he added.