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FUND EXPERTS PLAN MEETING

Post-War Stable Currency Is Aim Of July Conference

By RODNEY CROWTHER

(Washington Bureau of The Sun)

Washington, May 30—Currency stabilization will be absolutely indispensable in the post-war decade if the world hopes to avoid serious monetary disruption and all its attendant ills, Dr. Harry D. White, Treasury director of monetary research, asserted today in outlining some of the objectives that will lie before the Bretton Woods (N. H.) monetary conference which President Roosevelt called to begin July 1.

The long-range objective of stabilization of world currencies, he told a special press conference at the Treasury today, is "world peace and prosperity."

Without orderly exchange arrangements and machinery for avoiding competitive exchange depreciation, it will be doubtful, he said, if the world can achieve the economic recovery it must have in order to cement the foundations of a peaceful world order.

Broad Agreement Needed

If by some stroke of fate the war should end before the nations can set up a monetary fund, this nation would have to fall back quickly, White said, upon the existing stabilization fund and the Export-Import Bank. But the very nature of the unsettlement and disequilibrium that has come to the currencies of the world under the impact of the war has made these devices inadequate to the long-range job that must be done. At best they could serve only as interim devices while a wider and broader agreement was being achieved.

The Treasury monetary research director, who has played the leading role for this country in the preliminary negotiations for the world-money conference, denied emphatically charges by some critics that the proposed stabilization fund would be a sort of bottomless pit into which this nation would have to pour a continuous stream of dollars.

Fund Is Misunderstood

He said such charges arise principally out of misunderstanding of the nature of the fund and the purposes it would serve. Incidentally he said, while the preliminary conversations were under way the

Treasury experts consulted bankers, exporters and monetary experts in many parts of this country and "in general" found the technicians agreeable to the plan.

Explaining in some details the nature of the proposed fund, Dr. White charged that the idea held in some quarters that nations with weak currencies would have an opportunity to "milk the fund" of dollars was "just plain lack of understanding and information as to what the fund is for and how it would operate."

The notion, advanced in some quarters, that the United States would continuously have to tap its large holdings of gold in order to keep the fund operating, and that the bad money of the world would thus in the end eat up the good money of this country, "is just fantastic," Dr. White declared.

Established Gold Values

The proposed \$8,000,000,000 fund, of which this nation's subscription would be about \$2,750,000,000 and its gold contribution about \$660,000,000, will always be an \$8,000,000,000 fund. Currencies in the fund will have established gold values, and will be maintained in stable relationship to each other continuously.

If other countries, for example, should acquire all the dollars in the fund, that would not mean this country's interest in the fund would be dissolved and gone. It would just mean that in place of our dollars we would hold gold-value currencies of other countries—all useful and all spendable in the respective countries from which they originated.

Whether the proposed world bank for reconstruction and development will be developed at the New Hampshire conference along with the fund, is still unsettled. Dr. White hopes it will be.

Quick Progress Urgent

Dr. White said the technicians feel that there is urgent need for quick progress on the stabilization fund so that it will be ready for immediate functioning when peace comes. The need for the world bank is not quite so urgent, although it would be extremely beneficial to world recovery if the nations could be ready, too, when the war ends with machinery for making available long-term reconstruction credits.

The United States delegation to the monetary conference has not yet been chosen by President Roosevelt but it definitely will include Congressional representation, Dr. White said. Most of the arrangements for the conference are in the hands of the State Department. It is the hope of Treasury officials that the press will be admitted to as many as possible of the conference sessions "so that there can be a complete report to the people of the United States."