

exhausted, the fund shall inform member countries and propose an equitable method of apportioning the scarce currency.

6. On the subject of dealing in gold the principles agreed on state it will be the obligation of a member country not to buy gold at a price which exceeds the agreed parity of its currency by more than a prescribed margin and not to sell gold at a price which falls below the agreed parity by more than a prescribed margin.

Senators who met with Mr. Morgenthau were of the general opinion that a monetary conference will be called soon.

Secretary Morgenthau said at the Treasury tonight he regarded the Congressional reaction to the plan as "on the whole good." He observed it was probably a little better in the Senate than in the House. On the whole, however, he said, he was "pleased."

Senator Wagner (D., N. Y.), chairman of the Senate Banking and Currency Committee, called the agreement reached by the experts "one of the bright spots on the world horizon" and Senator Green (D., R. I.) said "there is enough agreement to warrant calling an international conference."

Senator Wagner also called the agreement "another step in the down-to-earth, common sense policy of voluntary international cooperation on the monetary front," pointed out that the plan now proposed simply carries a step farther and makes more international the exchange plans this nation initiated before the war in the tripartite agreement with Great Britain and France.

Called 'Visionary Scheme'

Many House Republicans who heard the plan outlined thought it was "a visionary scheme" and "might destroy the value of our currency."

Representative Carlson (R., Kan.), a member of the Ways and Means Committee, not only thought it was visionary, but feared that "those who operate the fund could pull our standard of living down to that of the rest of the world."

Representative Knutson (R., Minn.), of the Ways and Means Committee, said:

"It will never get through a Republican Congress. If they want to do it, they will have to do it this year."

Knutson thought it would empower the directors of the fund to "set American tariff rates and the value of every world currency."

May Ruin U. S. Living Standard

Representative Andresen (R., Minn.) thought it "would destroy the American standard of living." He said Mr. Morgenthau has assured the committees he would come before Congress before any final commitments were made.

Representative Jenkins (R., Ohio) stated he "prefers continuance of the present system under which the operation of our stabilization funds effects evening out of exchange fluctuations."

But Representative Smith (R., Ohio), who has been a bitter critic of currency stabilization plans, condemned Secretary Morgenthau for going before the committees in "secret sessions," and stalked out of the House committee room, saying, "I am convinced it is vicious and so perilous to the United States that no words can describe it."

Representative Kean (R., N. J.) took a more conciliatory view than other Republicans, saying "something of this sort will have to be done. I do not agree with every detail but stabilization of currencies is essential."

Representative Doughton (D., N. C.), chairman of the Ways and Means Committee, thought "something will have to be done and Mr. Morgenthau made a splendid approach to this international problem."

Representative Patman (D., Texas) called it "the greatest constructive step ever undertaken by any government."

Only Experts Have Agreed

In appearing before Senate and House committees today Mr. Morgenthau made it plain that the agreement reached so far is only between the technical experts of this and other countries, and in order to give it effect an official conference of the various nations will be required to evolve an agreement, or treaty, whichever is found desirable. The United States will not be committed in any way, he said, "until Congress has taken action."

"I am frank to say," he told the seven committees who heard him, "that in my opinion the agreement of the technical experts constitutes a long step on the way toward preventing a breakdown of currencies and the imposition and retention of restrictive and discriminatory exchange measures after the war. Through international cooperation now, we can assure a stable and orderly pattern of post-war exchange rates."

At a press conference, at which he explained the technical phases of the plan, Mr. Morgenthau expressed the hope that the conference can be held soon and the fund established by the time of an armistice.