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THE BATTLE OF BRETTON WOODS

OUT OF BITTER DEBATE OVER BANK AND FUND, SOME ISSUES HAVE BEEN DRAWN, IMPORTANT COMPROMISES PROPOSED. NOW IT IS TIME FOR CONGRESS TO DECIDE

THE Battle of Bretton Woods will go down in American history as a more colorful engagement than Bunker Hill or the Battle in the Clouds. Its final outcome will not be decided until the last congressional vote is in. But for a year it has provided the U.S. with the most unrestrained, many-voiced fiscal controversy since the days of Bryan. The tale is worth telling now, before the riderless horses—and horseless riders—come adding their confusion to that of the day's full heat.

To evoke the event's full flavor the future historian will have to describe at the outset some of the banners with strange devices that waved above the struggle. It is two years since the House of Lords tried to do its bit for international currency by suggesting for a new international money unit such fanciful titles as "dolphin" and "bezant." Since then England has discussed international money with a keen sense of the Jabberwockies that can haunt such shades as those of Bretton Woods. In the U.S., on the other hand, the outlines of the debate have been bolder; and, as a result, the argument has provided a new script for such stock American characters as the Bureaucrat, the International Banker, the Professor, the Organized Woman—and the Disorganized Doctrinaire. Each of these has cast himself, with Paul Bunyan's size and simplicity, in the role of the one-and-only Bretton Woodsman.

Furthermore, the main battle lines have been obscured by such bivouacs as those of the silver Senators and the commodity-money men. To cap these complexities, the simple matter of personal imagery has produced schools of thought whose differences are of almost scholastic subtlety. The observers who tend to see everything as a "pyramid" of this or that, for example, have warned that a currency agreement is an "apex" that can be engineered only after a solid base of world trade pacts has been erected. But those who see things as "spheres" have insisted that the world economy is a kind of geometrical ball through which the Bretton Woods agreements, regardless of their time relationship to trade pacts, have cut a useful cross section. No wonder more than one observer feels by this time he cannot see Bretton Woods for the trees, especially as through the trees stalk so many incongruous personalities—a lanky man called Keynes, a stocky man by the name of White, Banker Aldrich of the Chase, Britain Firster Robert Boothby, and the inevitably hulking Beardsley Ruml.

Does the debate among these men, do the events of Bretton Woods, have an intelligible pattern? Happily for the U.S. and for democracy they do. Out of the clash of argument have emerged certain definable issues that only the people's representatives can decide. Moreover, as in the case of Dumbarton Oaks, the give and take of discussion has turned up certain compromises for differences that not so long ago looked insurmountable. The results so far make it fair to ask what other nation or system could have discussed matters so complex so democratically and effectively.

UNITAS AND DIS-UNITAS

It was in April, 1943, that the Assistant to the Secretary of the Treasury Harry D. White and Lord Keynes of Tilton, under the aegis of their respective governments, published plans for a world organization of money. *Both* aimed at giving the postwar world a central institution that would attempt to stabilize international exchange and so enlarge international trade. But since the worth of a nation's currency depends no little on the condition of its balance of payments, it was a foregone conclusion that both plans had to broach a touchier subject—namely, the granting of credit.

Here Messrs. White and Keynes split wide apart. Mr. White's plan was as specific a document as a constitution for the West

PROFESSOR EDWIN KEMMERER, hardest-money man, called for gold.

WINTHROP ALDRICH, Chase Bank President, predicted a shortage of dollars.

GEORGE WHITNEY, President of Morgan's, spoke with the internationalists.

W. RANDOLPH BURGESS, President of the A.B.A., made a firm bid for compromise.

is at St. Louis). It is emphatically sold on the idea that Kansas City's strategic position and enthusiasm entitle it to more than it has now.

The idea is plausible. Located on the bluffs at the big bend where the Missouri turns east and the "Kaw" empties into it, Kansas City is a natural traffic gateway. Old Westport, now part of the town, was the eastern terminus for both the Santa Fe Trail and the Oregon Trail; and after Kansas City was incorporated (1852) and railroads began to lace the midcontinent, it inevitably became a great railroad and distribution center. It built stockyards, packing plants, elevators, flour mills, and wholesale houses. Before the war it was first in the distribution of farm implements, seeds, winter wheat, and stocker and feeder cattle. In 1943, probably owing to the abnormal livestock situation, it actually displaced Chicago as the world's largest cattle and calf market.

Kansas City also became a playground for the hell-raising southwestern cattlemen who sold their stock there. It was and is essentially one of the most respectable, bourgeois towns in the whole corn belt. Nevertheless, it had to live up to its role as a metropolis and under the professional guidance of the Tom Pendergast political machine developed a night life that made Paris look like Fall River, Massachusetts. Cowmen in Texas and New Mexico still swap stories about the famed Chesterfield Club, whose equipment included nude waitresses. Devotees of swing also talk about the great Kaycee style, developed by the jazz musicians in the city's all-night clubs, the haven of Negro bands and artists who weren't welcome in the South and Southwest. But the night life was shut down abruptly when the Pendergast machine was ousted in 1940, and war began before the town could assay the resulting economic damage and restore Kansas City as the playground of the Southwesterner. The girls who once rapped on windows now work in war plants and dispense their favors free, but only to strategic workers and members of the armed forces.

In addition to its geographical advantages, Kansas City was blessed with the man who put the great American art of boosting on the highest level it has ever seen. That man was William Rockhill Nelson, a huge, loud, red-faced Indiana lawyer who came to Kansas City in 1880 at the age of thirty-nine. With little money, a lot of ideas, and an overwhelming ambition, he founded the *Star* and made it great. Like Pulitzer, Nelson was never content with merely reporting news. But he went further than merely exposing corruption; he took the people by the hand and led them. "Under the malign direction of Nelson," Nelson once wrote when critics annoyed him, "the *Star* has kept things constantly stirred up. It has made tenants dissatisfied . . . they won't look at a house unless every window opens on a flower garden with a humming bird in it. It insists on regulating the minutest details of people's lives. Its preaching about more parks and boulevards,

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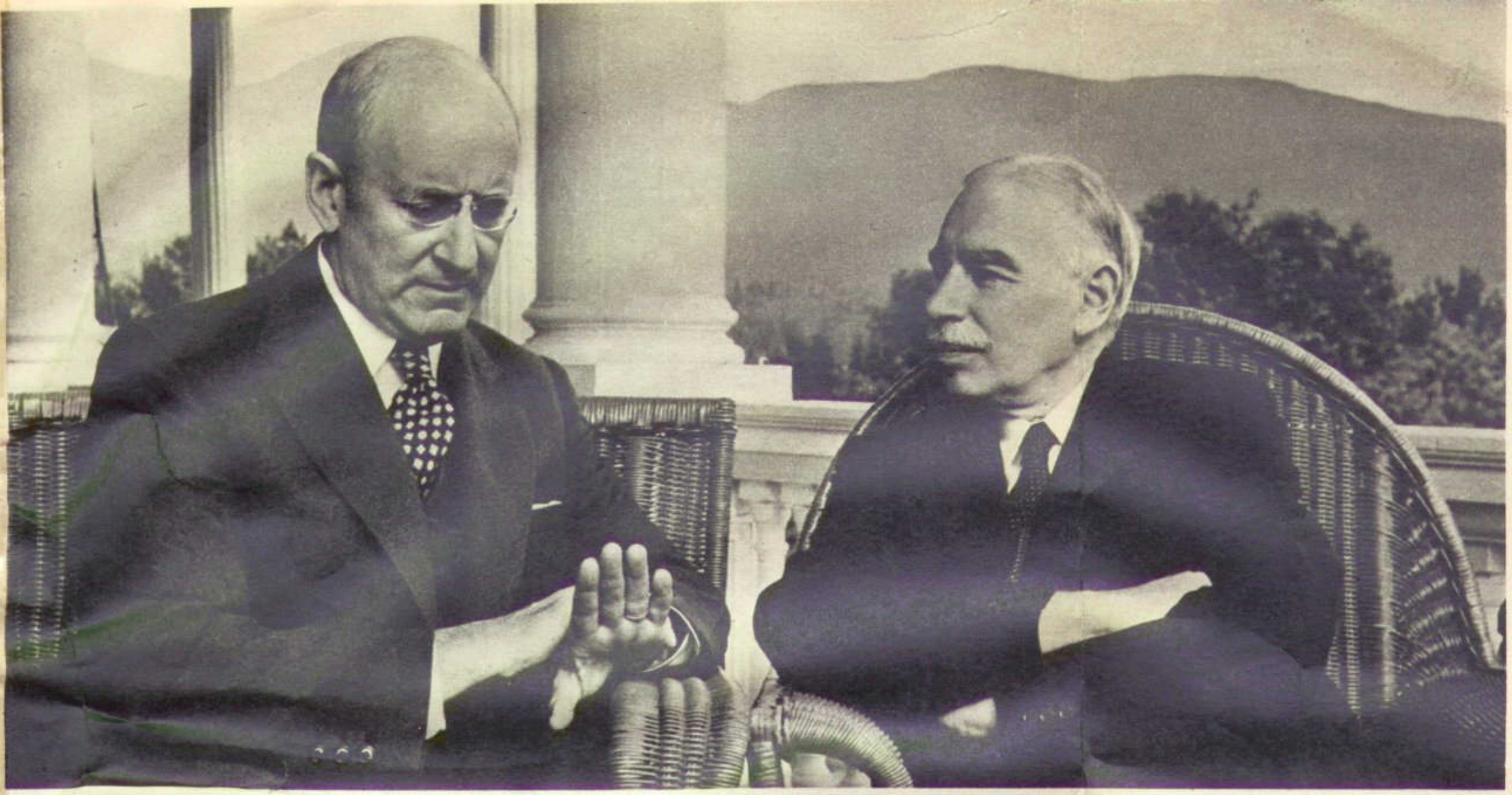
CHURCH SUPPER: One of the basic and durable features of rural social life in Missouri [illegible] surrounding states is the church "sociable" [illegible] supper, strawberry festival [illegible] festival, or quilting bee. This supper was painted at a Lutheran church on Manchester Road near St. Louis. Artist Turnbull is in the lower right, standing against a tree.

COTTON IS KING IN THE "SWAMPEAST": Thirty years ago this was a wooded swamp. After trees were cut and water drained, the alluvial soil turned out to be a gold mine. Crops of all kinds flourished on it, but it grows nearly twice as much cotton per acre as any other nonirrigated land. Cotton is now Missouri's largest single cash crop.



BRETTON WOODS PIAZZA INTERLUDE: SECRETARY MORGENTHAU AND LORD KEYNES

Side Businessman's Association. It called for the establishment of an international monetary fund with stated, paid-in assets of almost $5 billion, and the U.S. dollar as the ultimate measure of value (unitas).

This was but a pale edition of the Keynes plan, which had broken into the public prints even earlier. Lord Keynes, writing what could almost have been one of his longer letters to the London *Times*, sketched a world clearing union with a much more generalized charter. He suggested that its quota-based assets might be set at a sum equivalent to, say, 75 per cent of the total world trade of the member nations as of, say, 1936-38. In effect, this amounted to total overdraft privileges for its members of an estimated $30 billion. And whereas Mr. White provided that no nation might exercise more than 20 per cent of the votes, Lord Keynes gave Great Britain and its dominions about 30 per cent of the votes as compared with about 14 per cent for the U.S.

These blueprints fanned into flame a controversy that had begun at the first hint that they were being projected. A fair share of the U.S. financial community felt as uncertain about the common ground of the proposals as Clarence Day's father about getting baptized at forty-two. Within a few months of the plans' official appearance, they were challenged by the U.S. economists who did not want to see the door finally closed on the gold standard's revival. "I want to see a real gold-standard world again," said former Chase Bank economist Dr. Benjamin M. Anderson in a later statement of his case. "I don't want international monetary cooperation in ordinary times. It prolongs unsound tendencies . . ." Other charter members of the

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EDWARD E. BROWN, of Chicago's First National, Bretton Woods' good friend.

BEARDSLEY RUML, C.E.D. man. Macy's mellow Treasurer met the Treasury halfway.

MABEL NEWCOMER, a U.S. delegate, Vassar professor, helped mobilize the women.

HARRY D. WHITE—*summa cum laude* for technique, but not for diplomacy.

PAINTING BY DOUGLAS GORSLINE

BERNARD FEUSTMANN GIMBEL

. . . the muscular and persistent chief of Gimbel Brothers, has in his time made great headway against the gentlemen pugilists of Philadelphia, the raging seas off Absecon, New Jersey, the business foibles of his own family, and the leading retail competition in the land.

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U.S. economic fraternity's Specie Payment Lodge, such as Princeton's Professor Emeritus Edwin W. Kemmerer and New York University's Dr. Walter E. Spahr, spoke up on his side. Faintly puritanical, these views naturally proved more popular with the New York *Times* editorial page than with other listeners in a deficit-financing era prone to regard such hard-money talk as a mere *mystique*.

But another group of doubters took a stand that was destined to exert far more influence on the course of the controversy. In *Foreign Affairs*, July, 1943, Dr. John H. Williams, who is not only Dean of the Harvard Graduate School of Public Administration and a Vice President of the New York Federal Reserve Bank, but also one of Wall Street's favorite money men, expounded the key-nation theory. ". . . The so-called key currencies approach," writes Dr. Williams in his more recent *Postwar Monetary Plans and Other Essays*, "would begin with the currencies most essential for world trade, and particularly the dollar-sterling rate, and would provide criteria as to the conditions under which other countries could be brought in under some more comprehensive scheme." Dr. Williams was implying, of course, that the dollar was the "master key currency" on whose use would depend how many long-shut doors of world trade might be reopened.

It remained for the late Leon Fraser, President of New York's First National Bank and onetime President of the Bank for International Settlements, to sharpen the stress Dr. Williams had placed on the pound-dollar relation. On November 16, 1943, in the New York *Herald Tribune*'s annual forum, Dr. Fraser said: "The first effective step toward an international money lies in an Anglo-Saxon financial understanding." He plainly felt that the international framework proposed by White and Keynes might obscure the U.S. need to face such a problem—and hinder the U.S. solution of it. Dr. Fraser was to return to this theme many times during the course of the debate over a monetary fund that seemed to him a mixed cocktail of currencies. "They are not looking for lits, lats, lei, and rubles," he was to say in hearings before the House Committee on Banking and Currency in March, 1944, "they are looking for dollars." And after the dollar, there is the "great and primordial question of the British pound."

THE WOODS

While the opposition-to-be was thus gathering steam, the Keynes and White plans were being studied by the official representatives of the United Nations. In the fall of 1943—in the midst of progress on controversial points in currency matters—the U.S. Treasury added to the experts' projects a proposal for an international bank. In the spring of 1944, after experiencing less trouble with each other than with their critics, they issued the Joint Statement recommending the establishment of an international monetary fund. In May President Roosevelt sent out his invitations for a United Nations conference. And as the delegations arrived, it began to appear that the U.S. had made a key error. Though several lodges were provided for the seventy-odd newspapermen invited, no nongovernmental U.S. banker was included in the U.S. delegation except Edward Eagle Brown, President of the First National Bank of Chicago.

Out of the conference (FORTUNE, September, 1944) came not only a more nearly final version of the monetary fund for which the experts had labored so long, but also the World Bank for Reconstruction and Development, which had taken a relatively minor place in the previous announcements. The relation between the two institutions promptly became as moot a matter as the separate nature of each. But both aspects of the Bretton Woods agreements were soon explained by the brighter columnists.

Bargain No. 1 was the fund. It was in view of the U.S.'s abandonment of a rather orthodox gold position that Britain showed its willingness to step up its decontrol of the pound until the time when—after a transitional period of some three to five years—the pound returned to its traditional freedom of exchange. Furthermore, in return for the generous automatic credit privileges made possible principally by the U.S. contribution of about a third of the fund's $8,800,000,000 assets, the delegates agreed to try to eliminate some Schachtian exchange controls. In Latin America especially, this would be a boon to the U.S. In the final plan the U.S. had 28 per cent of the votes, and Great Britain, India, and the dominions 25.3 per cent. Yet most of the advantages of the fund lay with foreign nations and most of the disadvantages with the U.S. From the viewpoint of the U.S. the White Mountains would have labored to bring forth a monetary mouse had it not been for Bargain No. 2.

This was the creation of the World Bank. The U.S. advantage here was that, though the U.S. was to finance the bank heavily, the member nations were to cover the bank's loans with generous guarantees. In other words, the bank was the long-term collateral offered to the U.S. in return for the liquidity that the U.S. was introducing into the money markets of the world through the fund.

The U.S. public sniffed the fact that bargains had been made as rapidly as it became aware of its inability to expound their nature at the dinner table. For even U.S. readers who only skimmed last summer's headlines were aware that the attitudes of nations toward gold could be quite as individualized as those of experts toward monetary management. Besides, U.S. folklore has no great reverence for Fort Knox's hoard; and if Great Britain was indeed a "key" nation, was not its well-documented suspicion of gold a "key" attitude? And was not Threadneedle Street's unwillingness to sacrifice an international for an Anglo-American agreement a "key" attitude also? Furthermore, there was ground for some satisfaction on the part of Bretton Woods' opposition-in-advance. For the establishment of a fund for currency dealings and a separate bank for loan purposes amounted to recognition of the difference between these two matters. Who could ask for anything more from forty-four nations cooperating in a field of so many pitfalls?

A startling answer to this question came while the conference was still in session. Asked for his comments on the thoroughly reported progress of the agreements on July 11, 1944, Senator Robert A. Taft replied that he could make none "because of the secrecy" of the White Mountains sessions. It is safe to assume that Senator Wagner, who steers the Senate Banking and Currency Committee, was grateful for Taft's blunder. In August at least one columnist of London's City proved himself almost equally willing to obscure history by writing in squid's ink. "Is it really conceivable that Parliament could pass such a suicidal measure?" wailed Paul Einzig, who has long whipped "the Golden Scapegoat," in the London *Daily Express*. He charged that the agreement meant a "return to the gold standard . . . an unmitigated evil, spelling ruin and misery."

With the opposition forming its ranks under a sky darkened by such boomerangs, it might seem that the U.S. Treasury would have considered its position secure. Bretton Woods' high international aims and accomplishments were sufficient to make the

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Treasury's White Mountains bastion one of the strongest natural positions in the chronicles of fiscal warfare. But the response of its allies to this state of affairs was to act as if they were in imminent danger of encirclement. Observe, for example, the pro-Treasury zeal of U.S. womanhood.

THE WOMEN

In September, 1944, Vassar Professor Dr. Mabel Newcomer, one of the two nongovernmental U.S. representatives at the conference, explained the proposals to delegates of fifty women's organizations, representing five million women. And the representative of the American Association of University Women called on the meeting to spread the good word. In the next few months the learned ladies of the land did their bit. One of the most substantial scholarly reviews of the development of the accords was contributed to September's *Foreign Policy Reports* by the State Department's Eleanor Lansing Dulles, a member of the conference's secretariat. Mount Holyoke Professor Alzada Comstock, in the August and September issues of *Current History*, was foremost among those who tried to drive some sense into the heads of the fund's critics. The New York *Post*'s Sylvia F. Porter, New York's best-known feminine financial writer, comparison-shopped the wares of the opposition, and implied that housewives would do well to ask for the Treasury brand. And if at any time during the debate any woman of weight in U.S. public life had serious misgivings about the fund, she has yet to make a splash.

If the women were virtually unanimous, the men were not. It was also in September, 1944, that the American Bankers Association convention at Chicago took the step that is open to all organized minorities in a democracy. It appointed a committee. And convention talk confirmed all the previous indications that although the bankers were pleased by the World Bank, they were gunning for the fund. However, before the A.B.A. appointees had even begun their homework, Chase National Bank President and A.B.A. pillar Winthrop W. Aldrich went before the Executives Club of Chicago with his case. Appearing as a divorce attorney for the World Bank, he asked that its marriage to the fund be annulled on the grounds that its partner was a false pretending ne'er-do-well.

Wrote Mr. Aldrich in a pamphlet based on the speech: "There is no assurance that the currency acquired [from the fund by a member] will be used intelligently, productively, or in such a way that foreign exchange will be provided for repayment." The fund would "in all probability . . . become a mechanism for instability rather than for stability." It did not abolish exchange controls. It attacked "the symptoms rather than the basic causes of exchange instability . . . Commercial banking systems must be divorced from deficit financing, floating debts refunded, interest rates unpegged, and price and rationing controls removed." When Mr. Aldrich declared that the fund would rapidly encounter a shortage of dollars, he stated a charge that was to become the central theme of almost all later attacks. And since he was hitting compromises that might have been expected in any real as opposed to theoretical fund, it was clear that he was against any fund at all. As the A.B.A. convention disbanded President W. Randolph Burgess, Vice Chairman of the National City Bank of New York, called for a final study and report.

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But the American Bankers Association is not the only banking guild, and Mr. Aldrich not the only articulate guildsman. As the A.B.A. began the preparation of its report, the New York State Bankers Association also began theirs. And it was no secret that the two groups did not see eye to eye.

The report of the A.B.A. appeared on February 1, 1945. Back of it stood such bankers as Mr. Burgess; W. L. Hemingway, President of the St. Louis Mercantile-Commerce Bank & Trust Co.; and Brigadier General Leonard P. Ayres, Vice President of the Cleveland Trust Co. Observed the A.B.A.: "The plan for the Monetary Fund introduces a method of lending which is novel and contrary to accepted credit principles . . . The borrowing would be subject to certain limitations, but with no stipulation that the loans should be good loans . . . " What worried the A.B.A. almost as much was the current position of the U.S. on the international balance sheet. It called attention to the $20 billion in gold and dollar credits held abroad by foreign central banks in September, 1944—and the bullion drain from the U.S., which was soon to necessitate a lowering of Federal Reserve Bank reserve requirements.

The report continued: "Who knows what kind of world we are facing for the next five years—what political, social, and economic conditions? . . . To set up a stabilization fund under such conditions is to risk becoming involved in attempts to support uneconomic levels of currency . . ." Again, "The British situation is a vital factor . . . Much of her substance has been drained off in this war . . . We ought to know more about that before making large commitments." It recommended that both the consultative and credit functions of the fund be taken over by the bank, and that the fund be dropped.

PROP GALLUSES?

One week later the split in banker opposition to the fund was dramatized by the appearance of a rather differently colored report from the N.Y.S.B.A. Prepared under the chairmanship of the Chemical Bank & Trust Co.'s Chairman Percy H. Johnston, with the help of such bankers as J. P. Morgan & Co. President George Whitney and New York Guaranty Trust Co. Chairman William C. Potter, it was a far clearer, firmer, and more imaginative document than the A.B.A.'s. "The fact that the experts of the various nations met together, discussed their mutual problems, and agreed upon specific proposals, was a major accomplishment in itself . . ." declared the N.Y.S.B.A. The A.B.A. report had not been entirely forthright about U.S. tariff reductions. The N.Y.S.B.A. report called not only for repeal of the Johnson Act but also for U.S. tariff reform and a fair and prompt adjustment of lend-lease. Apart from these suggestions, however, the N.Y.S.B.A. recommendations were almost the same as the A.B.A.'s: postpone action on the fund and give its functions to the bank.

These two reports were the high tide of Wall Street's opposition to the fund. They were less a spirited charge than a picket line. And as in the case of many other picket lines formed in wartime, the public inevitably began to worry over the motives behind the pickets. While few people claimed to understand it all, Bretton Woods became a charismatic phrase for organized liberals and labor. The Treasury's friends in the press seemed to hold that since peace is indivisible, peace projects must also be. What were the wolves of Wall Street doing around a virgin stand like Bretton Woods? "The Fund or Bust" became their watchword, and the bankers were portrayed as intellectual kings without any clothes. For the C.I.O., the fund became an ally of 60 million jobs.

As the agreements moved toward congressional hearings in March, the Treasury learned that Robert Boothby, Tory M.P., a fund enemy from overseas, had written a letter against the fund to the New York *Times* and was at large in the U.S. A Guy Fawkes could not have been more handy to the Treasury. Yet the Treasury hardly needed such comforts. More than a hundred U.S. organizations had jumped on the bandwagon for the agreements. They included such diverse brotherhoods as the Pennsylvania Bankers Association, the Independent Bankers Association, the Catholic Association for International Peace, the Board of Education of the Methodist Church, the Greenwich Village Action Committee, and the Parent Teachers Association of New York Public School 234. The National League of Women Voters and the American Association of University Women were also present.

Furthermore, big Ed O'Neal of the high-riding American Farm Bureau Federation had put his organization on record for the agreements with no concealment of his pleasure in any export of U.S. capital that might prime foreign demand for his squirearchy's agricultural exports. The National Grange, after taking the pledge against the fund's intemperate liquidity in November, 1944, fell off that wagon in May, 1945. And in February, 1945, the Economists Committee on Bretton Woods announced that 90 per cent of the economists who had answered its poll endorsed the Bretton Woods proposals in their entirety. Cried a New York columnist to any and all fiscal forums: "It is time we laid away our pose of synthetic simplicity and stopped snapping the prop galluses . . . They say Uncle Sam is being a sucker again . . . through fear of becoming suckers we'll make suckers of ourselves." And Mr. Morgenthau was known to be feeling about the same as he did when, in December, he was reported to have warned a prominent Wall Streeter about the fund: "The bankers had better get back of it, or it will cost them dear."

COMPROMISE

Thus the issues seemed irretrievably drawn.

But no. On March 20, 1945, appeared a report from the C.E.D.'s committee—composed of businessmen. It not only changed the face of the debate but, in doing so, saved the faces of the debaters. Committeeman Beardsley Ruml, Macy's treasurer, described it as a Hegelian solution. It went far toward accepting the Treasury thesis that there should be an international currency and credit arrangement. But it also accepted the bankers' antithetical notion that the bank should be set up to do some of the heavy work that was now laid upon the fund. It combined these in a synthesis implying approval of the fund only if the bank was given explicit power to extend long-term stabilization loans. Another of the arbitration-minded C.E.D. men was Gordon Wasson, Vice President of J. P. Morgan & Co. The Treasury and its opponents were soon on improved terms with each other.

By May the battle was approaching its climax: final consideration of the Wagner-Spence bill in Congress. The bill asked Congress to go down the line for the Treasury with no legislative ands, ifs, or buts. But meanwhile Representative Jesse P. Wolcott (Republican) of Michigan, a Bretton Woods delegate, had given the C.E.D. proposals another turn. He added to them a proviso that sheared the fund entirely of its loophole powers to extend long-term credit in the guise of short-term overdrafts. And because he wanted the bank to work well in harness with

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the fund, he asked that both be headed by the same boss. With the Wolcott amendment, the attempt to give the bankers the sense of security they wanted—without throwing overboard an international agreement—made its final bid for acceptance. The Wolcott amendment was the Treasury's "hard" opposition, as the C.E.D.'s was the "soft." The acceptance of the Wolcott amendment in the House Banking and Currency Committee's 23 to 3 vote for Bretton Woods (May 24) was the strongest indication to date of a forthcoming constructive compromise. The fundamental of that compromise would be to keep the structure of the proposed bank and fund while at the same time safeguarding the national interest of the U.S., the biggest contributor to both.

PAX BRETTONICA

How Congress will finally decide nobody knows at this writing. Nor is this article concerned with passing judgment. What does need to be pointed out is that the furthering of the U.S. interest involves something more than any possible technical amendment to the Bretton Woods plan. Here there is a parallel with Dumbarton Oaks. It seems probable that the U.S. will join some kind of world political organization. But the mere joining of such an organization will not solve our own or the world's political problems. The U.S. will still need an active and aggressive foreign policy.

So too in the realm of money. It is now clear that no monetary plan will work if tariff and commercial policy is left to go by the board. Even should foreign nations lift some of their exchange controls, this will cut no ice if quota restrictions and high tariffs are maintained. This issue is squarely up to Congress.

Second, neither fund nor bank would relieve the U.S. of taking account of the specific problems of other nations. Here the philosophy of the key-country approach is correct and might be applied within or without the Bretton Woods framework. The U.S. may find it in its interest to help Britain relax exchange controls, and to face its overhanging short-term debt, with more aid than the fund could provide. As to Russia it has been clear for some time that what it primarily wants out of Bretton Woods is credit. The Wolcott amendment would debar misuse of the fund for this purpose. But in any event the U.S. should face the Russian demand for credit on its merits.

Finally, there remains the question of personal talent. "I would be for both fund and bank," one wise observer has said, "if I were sure who was going to run them." The experts of the Treasury have shown a lot of skill at the technical level—a skill admired by most nations that attended the original Bretton Woods conference. But the Treasury has been less than successful as diplomatist. Mr. Morgenthau's repeated insinuations against international bankers have done his plan no good. The fatal breach between Washington and Wall Street has reappeared throughout the discussions. The U.S. still lacks that concentration of talent that allows England's Lord Keynes and Lord Catto, formerly of Morgan Grenfell and now Governor of the Bank of England, to sit down together and determine policy.

What the debate has proved so far is that the tree of man does not stand clearly blazed in Bretton Woods any more than it does in Dumbarton Oaks. Both groves deserve to be explored in other terms than those of the partisans who see them only as forests of gloom or as dells of enchantment. For a year the U.S. has debated the essentials of monetary and commercial policy. Now it is time to strike for the clearings and build.