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TODAY and TOMORROW

By WALTER LIPPMANN

Bretton Woods

THE Bretton Woods conference was preceded by intensive discussion over a period of more than a year, and we may be certain that the discussion will not soon be concluded. The problem is how goods and services are to be bought and sold across national frontiers in a time when the economic systems within those frontiers are as different as the American, the British, the British Imperial, the Continental European, the Soviet, the Chinese, the South American.

For the day is past when the great bulk of international commerce can be carried on by trade among private merchants. Conceivably the return to such a trade is an ideal goal. It is certainly remote. In the whole world during the war trade has been controlled, in most of the world immediately after the war it will be controlled, even if it is not operated, by governments. Moreover, these governments will treat international trade as an instrument of their domestic policy: they will control it for the purpose of promoting their internal development and of nourishing their own social ends.

The problem at Bretton Woods is how to devise means of carrying on trade under these diverse conditions. For in the year that has elapsed since the problem was first tentatively answered by the experts, it has been made abundantly clear that none of the great powers is willing to sacrifice the freedom of its internal policy. The 1944 version of the monetary plan, which is now being examined at Bretton Woods, differs from the 1943 version in that it provides for almost unlimited domestic freedom and diversity at the expense of international conformity and stability. The other governments, led by the United Kingdom, have in the course of this year heard from their own people and have realized that the people will not let the orthodox rules of international trading have priority over internal development and social policy.

Thus the international force of the plan has been reduced so greatly that it appears to be only nominal, and what remains is in effect not a fund, not a stabilization of currencies, but a consultative pact, an agreement to explain to all the others why each nation, exercising its freedom, does what it does. Out of this irreducible minimum it may be that more collaboration could develop than can now be stipulated in advance.

Certainly, a country like the United States would benefit greatly by continual consultation about world economic affairs. There is no other way in which our people can become informed about the radical changes in the world's economy, and can become aware of impending maladjustments while there is still time to take corrective measures.

Much may be said pro and con about the experts scheme. But it should also be said that if all we got out of our contribution of 2½ billion to the fund was the right to be fully informed and consulted about the problems of the world economy as they develop, it would be cheap at the price. For we shall never learn about the realities of the economic era we live in merely by reading books, bulletins published by banks, newspaper articles, and the memoranda of our experts.

Our Treasury officials and bankers, our merchants and financiers will have to live with the problems, not just discuss them theoretically, and in so far as Bretton Woods evolves any kind of institution, be it a monetary fund, a bank for reconstruction and development, or both, which enables Americans to participate in the management of the international economy, we may count it a constructive achievement.

For the only way to learn to walk is to begin to walk. As long as we establish the principle of consulting in these matters, we shall have taken the first essential step.