

RUKEYSER: Tells How To Stabilize

By M. S. RUKEYSER

The calling of an international monetary and financial conference at Bretton Woods, N. H., next



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month is itself a psychological index of the deviation which has taken place from the conditions of a stabilized world.

At home and abroad, war is a great disrupter and unstabilizer.

Yet the wistful hope recurs that by some clever manipulation we can nevertheless achieve stability at home and abroad.

Perhaps the naive of the quest conditions the ineffectiveness of the remedies.

Between World War I and World War II a series of international monetary conferences was held. They pursued high-sounding agendas and in a blue sky spirit promised to deliver "stability" in spite of the continuing maladjustments, disparities and other unstabilizing policies of war and peace.

The unanalytical concluded that the financial policymakers were lacking in ingenuity and inventiveness.

But I think that this is a superficial view.

Any competent currency designer could develop effective financial clothing to fit a healthy economic situation.

But it is sheer fallacy to assume that a stabilized currency can long hide underlying economic and trade instability.

Of course, theorists tend to over-value the concept of "stability." If the choice is between static "stability" and dynamic growth and progress, many discerning persons will prefer the latter. But the degree of instability in wartime and in the exhaustion which follows is so abnormally high that there is an instinctive groping for some patent medicine plan which will forthwith correct it.

To be specific, if after the war individual nations put their financial houses in order and undertake to keep their governmental expenditures within their revenue receipts, then a tangible step toward real, instead of apparent, stability will be made.