

The Monetary Conference

The President's call for an international monetary conference in July at Bretton Woods in New Hampshire has a special interest for people of this state, of course, because of its location. The real significance of this call, however, lies in the fact that financial and monetary planning is to be begun before peace comes.

This is quite different from what happened in World War I, when President Wilson went to Paris after the war with plans that had not been previously discussed by the Allies.

Today British and American monetary and banking experts have already conducted studies on this problem at Washington and have reached some tentative conclusions. These conclusions were announced some weeks ago by the secretary of the Treasury. Now all the United Nations—42 in all, including the French National Committee of Liberation—will meet to pass on these conclusions and to put them in formal shape. After that, it will be necessary for the governments of these several nations to put on them their stamp of approval.

According to the announcement of Secretary Morgenthau, two general proposals will come before the Bretton Woods conference. One is the establishment of an eight billion dollar stabilization fund, raised by all the participating nations, and based on gold. This fund would be used to maintain stability in international exchange and at the same time to make exchange available to countries that may need it after the war.

Another proposal is the establishment of a world bank to promote long term international loans and make such loans where the risks are regarded as too great by private lenders. This bank would be a sort of International Reconstruction Finance Corporation, build after the plan of the agency of that name that proved so helpful here in the United States through the period of the depression. It would have charge of problems of reconstruction and development resulting from the war.

The President has not announced as yet the United States delegation to the Bretton Woods conference, but it is understood that both the House and the Senate will have representation on that body. This is in keeping with the new policy inaugurated by the State Department of seeking the cooperation of Congress in all matters pertaining to postwar policy. Since the results achieved at Bretton Woods must win the approval of Congress, there will be a distinct advantage in Congressional representatives sharing in their determination.