

Money Is Confidence

Inherent in all plans for stabilizing post-war money is the necessity of creating post-war confidence. Stabilized currencies reflect, do not create, confidence. Among the United Nations representatives invited to the parley announced by the White House to convene at Bretton Woods, N. H., in July will be those from China and the French Committee of Liberation, for example.

China is in the throes of ruinous inflation brought on by the shortage of everything that vast country needs; France's economy has been devastated by the German occupation. Any attempt to stabilize—to subsidize their currencies—on the part of wealthier countries would be like pounding sand into a rat hole, unless simultaneously the means of economic recovery go into uninterrupted operation. All the gold and silver above and beneath the ground, all the paper credit and banking devices conceivable, all the ingenuity of money experts are meaningless without continuous production of wealth to give them backing and substance.

A century of peace and production for human needs could create the circumstances of stabilization. The project is not impossible, but its success is improbable without assurance of a long peace and the confidence that the prospect of peace can give the forces of recovery.

The parley next July is a step in the right direction, but only a step toward a goal which encompasses nearly all the problems of creating an orderly international society. If similar steps had been taken in good faith starting 20 years ago, the journey might not be starting belatedly in 1944.