MONEY TALKS.

The average citizen will look upon President Roosevelt's forthcoming international monetary conference as one of little concern to him, when as a matter of fact there is not a living person who will not be affected, one way or the other, by our adoption, or failure to do so, of an adequate stabilization plan. Final action will not be taken at this sitting, since proposed agreements would have to be submitted back to the respective governments for approval, but it is feasible to develop the frame work around which would be built an economic understanding that would act as a great insurance policy against disaster. Yes, while the details must be left to the experts and there are many obstacles to be hurdled, particularly the question of the gold standard, there is no wage earner, farmer, business or professional man whose pocketbook is not at stake.

It is no easy problem that is faced. It is agreed generally that some solution must be forthcoming if chaos in the post-war period is to be averted. If there is to be international trade, carried on with basic financial stability, it must rest on a solid bottom and that is the reason Mr. Roosevelt has called the conference.

A temporary plan drawn up last month by fiscal agents of 30 countries will be offered as the basis for agreement.

It provides:

1. An international monetary system revolving around an $8,000,000,000 gold-based stabilization fund, providing for a value in gold for each nation's currency and restricting fluctuations of any country's market transactions in money of other countries.

(For this the United States would provide between $2,500,000,000 and $2,750,000,000 of the fund; Britain would furnish $1,250,000,000 and Russia, $1,250,000.000.)

2. A $10,000,000,000 international bank for reconstruction and development—a sort of world RFC.

As to No. 1, we agree in principle but wonder why one share of the capital stock is so much greater than Britain's and Russia's.

As to No. 2, an international RFC, so to speak, we think that proposal calls for a great deal more talk. It smacks too much of our being a global Santa Claus. To put currency on a fixed basis is one thing; to establish a ten billion dollar bank to provide money for world-wide construction, etc. is another thing.

But back to the matter of currency.

Investor's Reader, a publication of Merrill Lynch, Pierce, Fenner and Beane, in the current issue, has a very illuminating article on the post-war money debate.

Citing "a few examples of the foreign currency problems which plagued United States manufacturers and exporters before this war," the article says that "so bad were foreign exchange conditions that practically every nation in the world had some type of currency restriction." Some had three or "four types of money, some husbanded their meager supply of foreign exchange by other means and some refused to trade on anything but an out and out barter basis. Famous barters include Argentine wheat for. German locomotives."

"The difficulty this caused big and little businessmen was nothing compared with the large implications of bankruptcy for whole nations," the magazine declared.

"The United States silver policy, for example, has been blamed for undermining the Chinese currency, and starting the current Chinese inflation. Some countries frequently attempted to outdo their neighbors by setting up tariff barriers and by purposely devaluing their money to grab export trade. But like a row of falling dominoes, this only resulted in more drastic measures by the next-door neighbors.

"If conditions were bad before the war, they will be still worse after. Reparations, occupational costs, lend-lease and reconstruction costs are sure to add to the problems."

THE STATE favors the holding of the conference. It sees the need of currency understanding. But it doesn't see any reason for the United States to allow its generosity and its enthusiasm to run away with sound judgment. We must be sure we do not depress our own economy while endeavoring to strengthen it.