

Essential to the Peace

President Roosevelt's call for an international monetary conference follows logically upon the stabilization agreement reached last month, after a year's study, by the fiscal experts of the United Nations and associated powers.

This agreement covers a proposal to create a gold-based world fund of about eight billion dollars to stabilize currencies and facilitate the flow of international trade and investment. When it was first announced, Secretary Morgenthau hailed the project as "the keystone of all postwar economic planning," and Secretary Hull declared that something like it would be essential if the United States and other nations were to make an intelligent beginning on the vast and enormously complex task of building an enduring peace.

The agreement, however, was merely an agreement in principle, without any binding force upon the countries whose monetary experts drew it up. Hence, the conference summoned by the President may be regarded as the essential second step toward a definite program of action. The sessions, to be held at Bretton Woods, N. H., starting July 1, will probably last several weeks and presumably will deal not only with stabilization but with other basic economic problems as well, including the international financing of postwar reconstruction.

There is considerable disagreement among groups in this country, and between this country and others, over many of the details and technical aspects of such proposals as that covering world stabilization. All the differences in this respect will undoubtedly be amply aired and debated during the forthcoming conference, but on one point there will be no dispute in informed quarters—namely, that an effective program of international economic collaboration is absolutely essential and that no sound peace can be fashioned without one.

The Bretton Woods conference therefore promises to be one of the most historic and significant since the start of the war. It will be limited to delegations from the United Nations and associated powers, but

these will represent the greater part of the world, and if they devise a clearcut and binding program—contingent, of course, on legislative ratification—the neutral countries will almost certainly be invited to participate, and, in due time, so will Germany and Japan and their satellites.

In any event, the purpose of the conference is clear: It is to prepare the way, by common agreement and action, for as speedy a resumption as possible of mankind's normal economic life. Nor is it too early to do this, for the sooner the world's monetary structure is strengthened and organized, the better equipped all nations will be to cope with the gigantic problems of postwar reconstruction.