

THE MONETARY CONFERENCE

THE UNITED NATIONS Monetary and Financial Conference, called by President Roosevelt for July 1 at Bretton Woods, N. H., may prove to be one of the most important assemblages in international history.

The purpose of the meeting is to devise a program of postwar currency control that will assure stability in the postwar world and avoid the complex problems and pitfalls that developed after the last conflict.

The White House announced yesterday that the conferees will explore the whole field of world finance, discuss candidly the monetary needs of the various United Nations and then take up the question of mutual backing of their individual economies.

This is a broad chart for action sufficient to embrace the proposals for a world bank, an international medium of exchange, and the adoption of a code of monetary practices that finally may achieve an equity of finance that can smooth the affairs of the nations in the future.

Spade work has been completed on the major points of the agenda. The United States, Great Britain and Russia have talked over the world bank idea, a plan that would set up an eight billion dollar fund to stabilize national currencies.

Under the rough draft, the major nations would contribute quotas to the fund on the basis of their wealth, export trade and international exchanges. This fund then would operate as security for the money of the smaller nations and as a preventive against the sudden fluctuations in values which in the past have disturbed the world markets and made an orderly expansion of international trade impossible.

The need for a sensible and mutually-beneficial financial program is written deep in the experiences of the decade immediately following the last war in which prosperity and depression alternated to engender the economic causes for the present global conflict.

In that turbulent decade of extreme nationalism, high and competitive tariff barriers, quick depreciation in currency values and dumping of surplus commodities in world markets, the nations engaged in a monetary war as vicious and sometimes as brutal as the physical struggle now under way on the battlefields of Europe and in the Pacific.

The results of that war were depression, lower standards of living in the 1930's, denial of opportunity to nations not backed by the power of favorable exchanges, and finally complete international defeat. No nation won. Every nation lost seriously. The United States, which fared best, could measure a victory in terms of stored gold. But it could gauge the price of this victory in stalled industry, crippled trade and unemployment.

The mistakes of the past should not be repeated. The call for the Bretton Woods meeting is a promise that they won't be. The tentative agreements already reached are assurance that out of the conference will come some kind of program for world stability. And the benefits of this program well can be higher levels of employment and orderly world relationship.

The conference, therefore, can be considered the first bold step toward the better international society that the United Nations have declared as one of the prime objectives of the present war. It will be a step in time with reality, a correction of abuses rather than an idealistic hypodermic, an economic move for improvement and not a social or charitable attempt to divide up the world's wealth.

A free world cannot be achieved by declaration only. It cannot be reached by magnanimity of battle victors alone. It can come about through orderly financial processes in which the natural economic forces can have full and unhampered play. This should be the objective of the Bretton Woods conferees. And if they can adjourn narrow and immediate individual interests long enough to attain it, then they will have contributed not only to the achievement of a better world but to an orderly and sensible world as well.