

World Monetary Conference

The President has taken a thoughtful step in proposing an international monetary parley, scheduled to begin in the United States July 1. Doubtless most of the 42 nations and the French Committee of National Liberation will accept the White House invitation and attempt to set up general principles, as well as tentative framework, for a more stable world fiscal economy when the peace is made.

The American delegation, headed by Secretary Morgenthau, unquestionably will take a leading role. This country must assume a major function in the world's postwar economic planning for obvious reasons. Other countries of Europe and Asia will be sorely depleted in wealth after the fighting is done. The United States will be the most dominant nation economically, the richest financially.

The importance of trying to evolve a general plan for monetary stabilization should be evident. The last war ended so abruptly, this country, Britain and other powers were caught utterly unprepared. As a result the world's financial market, so vitally instrumental in achieving general rehabilitation, went quickly to pot. Currencies of various European countries were many years in regaining anything like a sound basis. This, of course, had a hurtful effect on our own domestic economy and hampered our trade relations.

Mr. Morgenthau has already suggested to Congress an \$8,000,000,000 gold-based international fund to promote world finance and restore world trade. Monetary experts of 34 nations have agreed in principle on this plan, which probably will come up for more detailed discussion in July. It is rumored also a new proposal—a \$10,000,000,000 world bank for reconstruction—will be considered. Of course, all decisions reached at the conference will be subject to congressional action.

Many suggestions have been made as to a global monetary plan. There has been talk of an international currency unit, such as Lord Keynes' "bancor" and Secretary Morgenthau's "unitas." The British appear determined not to return to the gold standard and the United States would make gold the standard around the world. There is recognition that after the war prices must be permitted to seek their "natural level" and that in due time there must be a de facto stabilization of the monetary unit at this level. We hear of a managed gold standard dollar and a managed paper-money dollar. We hear that foreign ex-

changes must be set free and existing blocked balances must be considered.

This doesn't add up to much for the man on the street, but even he can see that after the war there must be international understandings on debts and other obligations, international agreements on economic programs when a world released from the gory business of killing settles down to peace with its complicated problems. The conference to be held in July doubtless will make a good start toward their solution.