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This Summer's Monetary Conference

Between conventions this summer, this country is going to play host to the representatives of 43 countries at a "United Nations monetary and financial conference." This meeting is the expected sequel to the publication last month of the "Joint Statement by Experts" dealing with these matters.

The Joint Statement consisted of a series of tentative recommendations on which the experts of these countries had agreed. The principal recommendations were two: the reëstablishment of gold as a universal unit of measure for the currencies of the world, and the setting up of a joint fund to be used in the smoothing out of exchange difficulties as they might arise. The recommendations included elaborate provisions for the management of this fund, and for the assistance of countries finding themselves in monetary difficulty—to the end, of course, that countries subscribing to the scheme would stick to it.

The object of the scheme is to assure world-wide monetary stability—to see that the units of measure for trade between nations do not fluctuate intolerably in value. And the reason why this is a desirable, indeed an imperative, object is that monetary chaos is the enemy of trade between nations, spreads like fire once it starts, leads to a progressive degeneration in the relations between nations and, ultimately, endangers the peace.

The "joint statement" which was presented in April earned a good deal of applause—not so much for its intrinsic merits as for the fact that the experts of all these nations had been able to agree at all. In the conference this summer, the scheme itself will be examined in a different and more critical atmosphere. For if this conference is to mean anything it will result either in a formal agreement to be returned to the governments of the countries participating for their approval, or in substantial progress toward such an agreement. Nations on the verge of committing themselves to so ambitious a program are going to have to be shown.

But even if such an agreement should emerge from the conference, it would not by itself assure its object. For in the end such technical machinery for monetary stability must rest on a more fundamental kind of stability: fiscal stability within each country separately, the reduction of tariff and other trade barriers to a minimum and a settled policy by all participating countries of good faith and square dealing with the others.

The coming monetary conference may, if it will, lay a substantial brick in the structure of post-war reconstruction. But a great many more bricks will have to be laid before the structure can be pronounced habitable.