

### Bad Tactics

The flimsiest of the arguments offered in support of the Bretton Woods proposals is that they must be accepted or rejected as they stand, that amendment or modification by this country would lead to their complete rejection by Great Britain and other nations.

There is not, in our opinion, a shadow of justification for such a representation. Since the United States is the one important creditor affected by the proposals, it is clear beyond a doubt that debtors in need of our assistance will have no alternative but to take it on terms that are acceptable to the lender.

In this light it is both ridiculous and disingenuous for the treasury to argue that the proposed bank of reconstruction can be established and can function effectively only if there is created at the same time an international monetary fund designed for purposes quite different than those the bank would serve.

There can be no reasonable doubt, in our opinion, that the bank could and would function effectively without the fund and that probably the smooth functioning of the bank with the creation of sound trade and commercial relations among the nations would lay the foundation for currency stability and thus render unnecessary the monetary fund.

If, on the other hand, the bank with other measures of reconstruction that were adopted, at the same time failed to bring about sound commercial relationships and, no less important, sound internal economies in all leading nations, a monetary fund would be foredoomed to failure.

The treasury makes a grievous error, moreover, in branding as isolationists all and any who dare to propose an amendment to the Bretton Woods proposals.

Rather better than any other group, the American Bankers Association must appreciate the fact that trade no longer knows national frontiers and that the effective employment of the energies of the leading nations, including those of the American banks, will require much more effective collaboration among the nations than was possible at any time between the two wars.

But recognition of these facts imposes neither on the bankers nor anyone else any obligation to accept the Keynes-White proposals as they were written. It would be well, therefore, for Morgenthau to refresh his memory on established procedures under the democratic process, which we hope to extend to our neighbors along with our credit.