

Unless It Works

To the Average Citizen, the Bretton Woods plan for global monetary stabilization is about as simple as the Einstein theory. Its purpose is much plainer, but its workings still would remain complex. It is interesting, however, that the Committee for Economic Development, in which Albany has an active committee building up a job reservoir and survey, has advanced a modifying proposal. Paul Hoffman, the Studebaker president, who made a remarkable talk to the Chamber of Commerce dinner in 1944, heads the CED national committee. At least, there is a local flavor.

The American Bankers' Association doesn't like the Bretton Woods plan, but it is willing to accept the CED proposal as the basis of compromise. As we see the Bretton Woods plan, it would set up a world bank to make loans based on the credit responsibility of the borrowing state. The monetary fund would keep internal exchange something like even by absorbing temporary fluctuations. ABA doesn't think this would work and that Uncle Sam soon would be left holding the bag. Probably so, and not unusual.

The CED compromise seems to be that, while the fund should control temporary fluctuations, if possible, when a larger nose-dive occurred the fund should apply to the bank for a stabilizing loan, which would let the bank nose around in the internals of the country that was having monetary colic and see what was wrong.

Reducing this to physical terms still may leave a puzzle, but the point the Average Citizen can absorb is that the compromisers seek to get a workable plan. Secretary Morgenthau thinks the remedy would kill it and distrusts the doctors. We do not; we think any plan that will work is better than a theory that won't, no matter how plausible it sounds. Americans are not afraid of compromises; their constitution was one huge compromise and yet it has been equal to any crisis, as John Marshall said it would be.