

BRETTON WOODS—A FIRST STEP TO LASTING PEACE

The fate of international security—the possibility of any international security organization coming into being in our lifetime—may be decided within the next few days.

The Congress is now debating the Wagner-Tobey-Spence Bill which ratifies the Bretton Woods Agreements. To most of the public, this is merely an economic issue, too complex to be understood, and remote from the cause of international agreement. This is a total misconception, and a very dangerous one. The Bretton Woods Agreements are complex because they solve a vast and complicated problem. However, the average citizen can understand their two primary points:

(1) Bretton Woods proposes to set up a bank. This bank will guarantee loans made by private investors to nations which need money for constructive and peaceful purposes. The bank will guarantee such loans in very much the same way as the United States government guarantees a loan from a private bank to a householder, under the Federal Housing Administration.

(2) Bretton Woods proposes to set up a fund. This is what might be called an international kitty. It provides moneys which can be used by nations whose credit is weak through lack of sufficient monetary reserve. This use of the fund makes it unnecessary for those nations to depreciate their currency or dump their goods, and thus eliminates one of the chief causes of inflation and renders obsolete one of the most dangerous weapons of economic warfare.

But the most important aspect of Bretton Woods is not the economic one. Its most important aspect is its bearing on world security—on the fact that the San Francisco Conference will meet on April 25.

If Congress passes the pending bill before that date, a great impetus will have been given to the success of the Dumbarton Oaks proposals or any other plan for world security. If Congress fails to pass the bill, the United States will again, as in 1920, appear in the eyes of the world to be withdrawing from international responsibility.

The opponents of Bretton Woods are doing a very shrewd thing. They are not openly opposing it. Rather are they sniping at small details of the agreement. They are doing this in full knowledge that if our Congress amends any part of Bretton Woods, then the whole agreement will have to go back for further conferences among the nations, and delay of as much as two years will have been effected by the isolationists. That two year delay should be all they need to kill the possibility of world cooperation in our time.

It took three years to write Bretton Woods, three years of preliminary meetings, and then the final meeting at which the document was agreed upon. Those three years were filled with the careful thought of some of the world's greatest economists; with carefully worked out compromises among nations whose special interests were in conflict. If Bretton Woods is not perfect today let's remember that neither was the Constitution of the United States when it was first accepted by the States. But, just as the Constitution provided machinery for amendment, so does Bretton Woods.