

The Bretton Woods Program?

The complex problems involved in the Bretton Woods proposals for an international monetary fund and a world bank are being threshed out in Congress, and, if the truth were known, the services of a Philadelphia lawyer, a magician and a Greek oracle are needed to make clear the purposes and ramifications of the proposals.

The Morning News is ~~frank~~ to say that it is dismayed by the many pros and cons that have been advanced by experts: they leave us feeling as if we were hot one moment and cold the next.

What is the so-called monetary fund as agreed upon by the 44 nations at the Bretton Woods conference in New Hampshire last July?

In a nutshell, the fund will consist of gold and national currencies in the amount of \$8,800,000,000, with agreed quotas ranging from \$2,750,000,000 for the United States or 28 per cent of the whole down to \$5,000,000 or less for smaller countries. The Big Five powers would control the fund. To stabilize its currency and exchange rates, each member is entitled to borrow not more than 25 per cent of its own quota in any given twelve-month period. Uncle Sam is asked to assume the biggest risk.

The United States and Great Britain do 70 per cent of the world's trade in their currencies, and are more involved in the proposals than any other nations—and yet the positions of America and Britain on the problem of gold are widely different. America has 70 per cent of the world's gold; Britain has almost none at all. America wants its currency related to its gold holdings, but the British don't want the pound tied up with gold.

Congress thus has a pretty problem on its hands, and even if the lawmakers should somehow approach a solution to the program, it would then have to be approved at Frisco or certainly among the Big Five powers.