

### *The Treasury Back-Tracks.*

The Treasury department appears quite unexpectedly to have abandoned its thesis that the Bretton Woods proposals must be adopted without modification. At the end of last week the undersecretary of the Treasury, Daniel Bell, publicly endorsed a change that would transfer control over long-term currency stabilization activities from the monetary fund to the international bank.

This is no mere distinction without a difference. Both the American Bankers' association and the Committee for Economic Development had recommended some such shift, on the general ground that the monetary fund, as proposed, was at once too large and too loosely organized. These and other critics foresaw a danger that, rather than stabilizing currencies, the fund would tend to encourage bad monetary practices by the countries entitled to draw upon it.

Treasury spokesmen had consistently denied the existence of this danger or the need for any alteration in the Bretton Woods plan—until a few days ago. But now, according to the undersecretary of the department, the suggestion of limiting the fund to short-term operations and placing over-all stabilization policy under the bank is "very sound." The average layman is in no position to assess the merits of so highly technical an argument. Yet he can scarcely avoid the impression that the Treasury, after a great display of self-confidence, has had to climb down, in the face of temperate and well-reasoned criticism.