

MONETARY CONFERENCE

If the United Nations monetary and financial conference, summoned by President Roosevelt to meet at Bretton Woods, N. H., on July 1, succeeds in stabilizing world currency, it will unquestionably be the neatest trick of the century.

On the agenda of the conference, it is understood, is a proposal for a world bank of \$10,000,000,000 to finance reconstruction and development, and the \$8,000,000,000 gold-based stabilization fund agreed upon in outline, but not accepted by any of the 34 nations.

This latter fund would, according to its sponsors, promote world trade and restore international finance. All these brave plans, of course, will utilize the American hoard of gold buried somewhere out in the Middle West, and in each of the plans, the United States will be the largest contributor.

How bright are the chances of success for stabilization of the currencies of the world may best be judged by what has happened in the past. There was, for example, the Dawes plan.

The Dawes plan was to pump new financial life-blood into the European continent and, at the time it was put into effect, was hailed as brilliant, far-seeing and absolutely foolproof.

Inflation in Germany blew the currency up to such fantastic heights that the bubble burst. The Young plan for reparations and for stabilization of the sick currency of Germany succeeded the Dawes plan.

There was a sort of false prosperity and spurious sense of security. Americans invested heavily in Germany, money which the Germans were glad to get—to prepare for another war.

The French franc never recovered from the effects of the last war. The German mark has for 25 years, through all sorts of doctoring both at home and abroad, been ill of a wasting disease. The Italian lira became a scandal under Mussolini. The Russian-ruble, outside of the Soviet Union, can be purchased on the black market for a fraction of its face value. Spanish pesos fluctuate wildly in value.

As the nations went off the gold standard, one by one, and even the wanted British pound sterling depreciated in value, only the American dollar was left backed up by gold. And the operations supporting the value of gold conducted by our government resulted in a dumping of more and more gold in a buried hoard, even after the United States finally departed from the gold standard.

The American soldiers, now scattered across the world, are learning one lesson first of all—that the American dollar is a much-desired treasure. Those lovely dollars have stable value, greater value, indeed, than the pound sterling, which for centuries was the epitome of stability.

It is entirely understandable that other nations would want to lean upon the stalwart dollar for support. Without doubt, such support would provide transfusion of needed strength to cure the ills of international trade.

If the American people haven't learned yet—some of the gold buried in vaults in the United States has got to leave these shores. In terms of the relationship of international finance to the common lives of ordinary people, the departure of dollars from the United States means a lowering of the standard of living here.

There are many standards of measurement for national wealth, productive power, cash worth, trade balances, but summed up, the less cash the less comfort.

It is to be hoped that the Bretton Woods conference will provide a solution. But, there can be no solution until the buried hoard of gold in the United States is depleted.