

Will History Repeat?

In advocating that the United States have a veto power on the use of the dollars it subscribes to an international stabilization fund, W. Randolph Burgess, president of the American Bankers Association, warned the House Banking Committee considering the Bretton Woods agreements that as now drawn these agreements might cause Uncle Sam to be branded by the rest of the world as "Uncle Shylock."

He estimated that the money proposed for the fund would last only three to five years and then if the United States declined to send more good money after bad money by putting up more dollars it would be blamed for wrecking the currency stabilization machinery.

Now is the time to consider means to avert such a situation. After World War I the United States put out about \$3,000,000,000 in credits to foreign nations in an endeavor to stabilize exchange rates, restore industry and promote trade. When this lending had to stop the boom bubble burst in the depression of 1921. Extreme care should be used in making our international monetary commitments to avoid a repetition of the 1919-1921 experience.