

MAR 26 1945

Bretton Woods Plan Could Be Used To Force Gold Standard Return

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The belief that gold is being used to gild the Bretton Woods picture is widespread in the financial district, it was learned today.

As experts there point out, we are being led to believe by the proponents of the monetary agreements now before Congress that their purpose is to restore a stable international exchange, a stability based in the past on the right to exchange paper money for gold. But is this the purpose of the plan drafted in July at Bretton Woods? According to our officials, it is. In short, the Treasury here is telling sound-money Americans that the Bretton plan will give them what they want.

The British say the contrary.

As their famous economist, Lord Keynes, stated in the House of Lords, the plan would create a method of dealing exactly the opposite of the gold standard one.

Supplementing this admission, Sir John Anderson, speaking for the government as Chancellor of the Exchequer, instead of for a faction in the Bank of England as Keynes did, stated flatly that the British would do no more than "consult" with other nations before lowering the value of the pound.

By lowering it the British would be able to undersell us.

This prospect is not being spread on the record by American officials, financial experts remind us. As a result, feeling in the West, where there is no such demand for foreign trade as there is in the East, is demanding an explanation, a fact emphasized last week by the statement made to the Banking and Currency Com-

mittee of the House when W. L. Hemingway appeared before it.

As president of the St. Louis Mercantile-Commerce Bank & Trust Co. and a former president of the American Bankers Assn., his views were received with attention. But he did not dwell on a factor now assuming larger proportions, the fact that we could return to gold if we wished.

The world could do so, too, because the chief currencies have enough gold behind them. While foreigners have a \$20,000,000,000 claim on us, this can be satisfied with goods, so we will still have gold enough to stabilize the dollar if we want to, experts say. As for the British Empire, it produces three-fifths of the gold mined every year. Russia digs up another fifth of the total—enough to keep the ruble stable. So if the great governments want to, they can re-establish gold as a standard, experts here declare.