

## Give-Away Swan Song

By STANLEY SINCLAIR

"DOLLAR SHORTAGE" is one of the legacies of the Truman Administration that cannot rightly be blamed on that former Tenant of the White House.

Yet it was during his tenure that we all learned to pity the nations of Europe and elsewhere because they finished the war, some gallantly in victory and others disasterously in defeat, with a deficiency of dollars. Now this is indeed an unfortunate position to be in, as most everyone knows. Knows, that is, unless his forebears were lucky enough to have grabbed a slice of Manhattan real estate, Iowa wheat-field or some similar parcel.

Just what is a "dollar shortage"? Firstly, and simply, it means the person or the country so afflicted is broke. Secondly, and analytically, it denotes the person or group of people is spending more than it is earning.

### WPA—Paris Branch

The theory behind Marshall plan, European recovery program, loans to Britain and similar projects carried out in the past several years, is a version of the old, unsuccessful concept: Tide these people over their initial shortages and they will soon be producing enough to meet their own purchases. Lend, or give them, what they need out of the market place now, runs the theory, and they will soon be able to make their contributions to it.

This is the same scheme that was tried in our own back yard in the early thirties. It stood behind WPA, PWA and pump priming. The results sought through this method almost 20 years ago at home were not achieved. The results sought in the world at large in the past five years have not been achieved.

Recently, the Economist, published in London, suggested a new international clearing union to which the United States would contribute \$35 billion. The money would come from more bookkeeping manipulations of the U. S. Treasury and Federal Reserve Bank, further inflating the supply of American dollars.

"We have already had too much of this sort of thing over the past 20 years," the National City Bank's monthly economic letter comments on this proposal, and adds, "Currency inflation is about the poorest way to deal with 'dollar shortage'."

### Production Not Money

It is high time more people everywhere learned from the experience of the past two decades that more dollars will not solve the problem of mal-distribution of wealth.

Dollars, in the last analysis, can only represent goods or services put into the market place. Trade can only be the swapping of goods for other goods; the jiggling of currencies can only be a hindrance to trade and not a promoter of it. To continue creation of more dollars to be distributed at home or abroad now in the hope of greater production in some unspecified future is to further degrade our currency.

In his recent inaugural address, President Eisenhower said:

Assessing realistically the needs and capacities of proven friends of freedom, we shall strive to help them achieve their own security and well being. Likewise we shall count upon them to assume, within the limits of their own resources, their full and just burdens in the common defense of freedom.