that the American economy had never been stronger and its future more secure. It is financial health which is necessary for sustaining high levels of production. A financial crisis, such as the failure of the world's primary trading currency, cannot fail to have a grave impact on the production of goods and services throughout the commercial world.

(*b*) The value of gold: Many delude themselves that our paper currency is stronger than gold. Industry and the arts buy only a fraction of the gold produced at the current price of $35 per ounce. Thus it is argued that the price of gold would drop if the United States stopped buying gold at $35 an ounce.

There is much sophisticated talk about "demonitizing" gold. But no one has ever explained the mechanics of such an effort. Paper money serves well as a circulating medium for commercial transactions. But it is notoriously unrealiable as a store of purchasing power. Economists and political leaders often talk disparagingly of monetary "hoarding." A more objective term for truly objective study of the issue would be "insurance."

A noble and important industry is based upon the desire of individuals and institutions for various kinds of insurance. There is only one sure way to insure one's purchasing power against the probability of inflation or depression in the uncertain future. That is to hold gold. It earns no interest and costs something to safeguard. But people are willing to pay a price for their desired levels of insurance. And, come inflation or depression, the purchasing power of gold will appreciate substantially. As confidence in paper currencies continue to evaporate, the demand for gold will increase. This monetary utility creates a very real demand all around the world. It could easily drive the price of gold to anywhere from $80 to $120 an ounce within the next 5 or 6 years. This is already accepted as fact in all the financial centers of the world. Numerous financial advisory services keep investors accurately informed on this matter and free from the effects of the Government's studied ignorance and the academic community's Keynesian dogma.

What would happen if the dollar were not pegged to gold in foreign markets? For an idea of the effects on world commerce of cutting the primary trading currency from its gold peg, I recommend review of the effects of the devaluation of the British pound in September of 1931.

(*c*) Statistics juggling: Our Government and many presumably objective scholars juggle figures in a truely unconscionable manner. Typical of this is the administration's contention that the small loss of gold in the first three quarters of 1967 indicated that we were making good progress in dealing with our payments problem prior to the devaluation of the British pound. Hundreds of millions of other reserves, mainly obtained from the International Monetary Fund, were expended in lieu of gold. Additional hundreds of millions were borrowed from Germany during this period. This is hardly the picture of a healthy performance.

(*d*) Reliance on an international monetary unit: Can an international monetary unit solve our problem? The poorer nations of the world cannot be expected to indefinitely continue to provide us with