make the Kennedy rounds (GATT) work, you had better have some form of payment or exchangable currency acceptable by the individual nations, backed up by adequate reserves.

Right now, however, the Free World's trading nations face the threat of running short of ready reserves of gold, U.S. dollars, other readily accepted currencies and credit. Some economists fear that a reserve shortage would put a severe crimp in world trade.

The most recent example of this is the devaluation of the pound sterling by Britain. Full effects of the devaluation may not be known for months but world governments began reacting instantly following Britain's decision. The same nations that have depended upon the pound sterling as a solid form of currency and reserve have now been asked through the IMF to loan the British government $1.4 billion dollars in an effort to save the British economy, narrowing even further the number of world currencies that generally preserve and guarantee the others.

To remedy the reserve and credit shortage the Big 10 leaders in world trade and manufacturing have supported a contingency plan to create a new kind of international money that was presented to the 106 IMF nations at their recent 22nd annual meeting.

The technical name of the new money would be special drawing rights (SDR) from the IMF. Some experts loosely call it "Paper Gold." But what ever the name, each nation would get some of the new kind of money to add to its reserves.

If you think that the new "drawing rights" are like creating money out of thin air, you are right to a considerable extent.

But that doesn't mean that it is "funny money" -