20.73/Francs 51.81." The U.S was also instrumental in convening the centennial conferences of 1878, 1881, and 1892 to explore further the problems of bimetallism and world money, although nothing much came of them.

My proposal, therefore, is not new; it is even, in a sense, in the tradition of U.S. international economic policy.

It must be realized that, in the nineteenth century, the existence of national currencies was regarded as an enormous defect. John Stuart Mill, for example, expressed his dislike of the nineteenth century system as follows:

"So much of barbarism, however, still remains in the transactions of the most civilized nations, that almost all independent countries choose to assert their nationality by having, to their own inconvenience and that of their neighbours, a peculiar currency of their own."

A fortiori, we do need in the twentieth century to reduce the scope of "barbarism," for by most standards the nineteenth century system was more cohesive and stable, from the standpoint of international relations, than that prevailing in the twentieth century.

But the idea of an international money is not even the exclusive monopoly of the modern age. It goes back to the Middle Ages. One can cite, for example, the writings of Gaspara Scaruffi, who, in his *Alitononfo* ("true light") published in 1852, advocated a uniform money throughout Europe, as did also Jean Bodin, Juan Marquez, and various other writers of the sixteenth and seventeenth centuries. I mention these historical precedents not because they are worth current study, but only as a reminder of how out of date much current thinking on the subject is.

One may hope, however, that thinking in official quarters has been impressed by the dislocations that have occurred and are expected in the exchange markets. Some indication of a new, forward-looking trend toward imaginative leadership is suggested by the following statement:

"In the international monetary field we are on the threshold of a new evolution which will similarly lead towards a deliberate control and management of international reserves in the interest of international stability."

This was written by Dr. Emminger, just a few months ago.[5] It is in that spirit that I suggest a new initiative be taken by the world monetary authorities toward creating a world currency. In the absence of such an initiative, the world will be confronted with more instability in the near future.

IV. OBJECTIONS TO THREE ALTERNATIVES

There are really only three possibilities. One is the so-called "Roman Solution." This means formally adopting, or acquiescing to, the dollar standard. The solution has an arrogant ring to it, and no doubt its name was contrived by an opponent of it. It is not nearly as bad as it sounds. I have to confess that I advocated a dollar standard to a Canadian audience in 1964[6] and, again, to a meeting of bankers in Geneva in the following year.[7] I lost my enthusiasm for it, however, as a system that could be made viable in the long run. The political objections to it are substantial since it places the central bank of one country in a supra-national role.

A decade ago, it would have been more feasible; but it would not work today, except temporarily. Let me quote again from Dr. Schweizer's letter to Mr. Martin:

"Allow me . . . to revert to the possibility of further large gold losses of the U.S. before the curtain would be rung down on our present Monetary System. The generally accepted idea is that this would introduce a new area of a purely Dollar-based monetary order. This is a cliché, based on wishful thinking, to which many of your countrymen apparently are looking forward with great unconcern if not with direct hope and cheerful expectations.

"For my part, I am afraid that things would not be as simple as this and that there is a very serious danger that in such an eventuality the other big world power, namely Russia, still in possession of large holdings of monetary gold, and enjoying the benefits of an important annual production, would emerge as a pillar of monetary solidity and stability to which a large part of the world,

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[5] Otmar Emminger, "The Role of Gold in our Monetary System." (Address before the National Industrial Conference Board's Financial Conference, February 14–15, 1968, New York).

[6] "A Dollar Standard and All That," (Remarks delivered to a meeting of the Private Planning Association of Canada in Montreal on December 12, 1964).

[7] "Conflict and Reform in the International Monetary System," (Presented to the Banker's Club of Geneva, June 30, 1965).