

STATEMENT OF W. B. HICKS, JR., EXECUTIVE SECRETARY, LIBERTY
LOBBY

This statement is submitted as representing the views of LIBERTY LOBBY's 15,000 member Board of Policy, on behalf of the 200,000 subscribers to our monthly legislative report, *Liberty Letter*.

LIBERTY LOBBY has long been deeply concerned about the drain on American gold reserves and the resultant danger to the economic and military security of the United States. Early in this session of Congress we testified in opposition to the legislation repealing the gold cover requirement on domestic American currency.

On May 13 of this year, we testified before the Senate Committee on Foreign Relations, in opposition to the legislation providing for U.S. participation in the International Monetary Fund's "Special Drawing Rights" scheme. We warned the Congress, and the American people, as follows:

"... Failure of the SDR plan as presently contemplated therefore seems inevitable, since the European nations which presently enjoy favorable payments balances will refuse to accept the worthless paper gold unless the United States yields to their pressure and transfers our last remaining gold into the International Monetary Fund.

"In fact, there are indications that such action is already being planned. Noted financial columnist Hobart Rowen has disclosed (*Washington Post*, March 3, 1968) that an extension of the SDR scheme 'is being discussed only in strictest confidence, with papers marked "confidential" to prevent leaks.' This plan would, according to Rowan 'establish an account probably in the International Monetary Fund—into which each country would deposit all or a major part of its reserves—gold, foreign exchange, even the new Special Drawing Rights. . . .' Each nation would have a pro-rata claim on the total IMF account, and each type of asset—gold, foreign exchange, and SDR's—would be made equally valuable.

"If such a plan is ever carried out, and the United States is deprived of its gold reserves, this Nation will have totally lost its freedom of action in the monetary field. The International Monetary Fund, rather than any American institution, will be in full control of the American monetary system and the American economy. Perhaps this is what one high IMF official had in mind when he said that the SDR scheme 'will add to the Fund a separate and major task, to supply the world with the amount of reserves that the International financial community will judge to be necessary.'

"To the extent that the United States gives up the right to determine our own economic policy to the IMF, an international body run by international bureaucrats, to that extent will our national sovereignty have been lost. With our economy under foreign control, the United States could not function as a truly sovereign and independent Nation, and our remaining political independence would be vestigial and short-lived."

The Congress did not accept our warning, and the authorization for American participation in the SDR scheme was enacted into law. But these hearings, on a plan to turn all American gold over to the IMF, bear out the earlier warning, and appear to justify a conclusion that such a plan was in fact the long range goal of the proponents of the SDR scheme.

We reiterate our unalterable opposition to any such attempt to turn control of the American economy over to any non-American organization. Now that the American people can see this backdoor approach to world government for what it really is, we are confident that they will demand that their Congress abandon the idea, and start working toward a solution of the gold problem which will replenish, rather than deplete, America's gold reserves.