

Letter to the Editor

The Letters Editor.

Obituary of the U. S. Dollar.

In his book published in 1981 titled "An Advance Obituary of The U. S. Dollar," Dr. Franz Pick pointed out that the great depression of 1929 – 1933, was the postponed reaction and correction of the great inflationary excesses of WW1.

On April 5th 1933 the U.S. government confiscated all gold from its citizens at \$20.67 per ounce.

Then on January 31st 1934, Roosevelt declared that henceforth gold would be \$35 per ounce.

This was a substantial devaluation of the U. S. dollar. It was the greatest gold robbery in history. The reasoning was that gold was a barbaric relic, causing the problem, as J. M. Keynes claimed.

"After the abandonment of the teaching of monetary theory", Dr. Pick wrote, "since 1934 inflation has become known by other buzzwords of distinction. The inflationary process has been baptised 'economic stimulus', and other new terms are, 'monetary policy' and 'fiscal policy'. Monetary policy has come to mean nothing more than inflating the money supply, and fiscal policy means deficit financing of the budget and more inflation.

"Faced with a string of bankruptcies, future Washington policy will probably devise some scheme, such as a gigantic holding company, to keep enterprises going and maintain jobs. In short, the Central Bank has been given a license to freely print money unhindered by legal or financial niceties".

In the long term, this will exacerbate the disaster. All of this is going on here and all over the world at this very moment.

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