

# Pravda looks at America's 'Monetary Fever'

*Treasury Secretary Blumenthal's monetary theories have not impressed economists in Moscow. Writing the "Feuilleton" column in Pravda last week, O. Ignatyev discussed the U.S.'s apparent long-term strategy.*

... In the capitalist world today, everything is so tangled up with huckstering that the most experienced man of commerce can be tripped up. Budget deficits, discount rates, promissory notes. What haven't they thought of? But the most important of all is the constant fluctuation of currency exchange rates. For the English, the Swiss, the Japanese and other businessmen, this monetary fever brings with it a mass of unpleasantness. The only people, in my view, who can maintain their tranquility in the midst of such financial bedlam are the North American bankers. Proof? Just observe.

As is well known, the dollar's exchange rate is constantly falling. A fact? A fact.

Officials in the Washington administration are giving increasingly frequent assurances regarding the brilliant future of the American economy, based on the might of none other than that very (falling) dollar. A fact? A fact.

That is to say, the faster the dollar rate falls, the sooner the American economy will rise to unassailable heights of stability.

A paradox? Only at first glance. Let us drop in on one of the offices of the U.S. Department of the Treasury and see how they are preparing there to get untangled from this most tangled situation.

... With a Hollywood smile on his lips, a clerk enters his chief's office.

— Chief, you are always content when you hear about a fall in the dollar rate. I can make you happy. Today on the Tokyo market they were paying only 186 Japanese yen for one American dollar.

— Wonderful! A new record! I hope tomorrow they'll be giving no higher than 170. Everything is going according to plan.

— It is prognosticated that by the end of the year, the dollar will go for no more than 100 yen.

— I don't doubt it. At this rate, we will soon reach our target, when for a dollar we are offered not one single yen, or franc either, for that matter. And that will be the point from which we will reckon the beginning of the golden age of the American economy.

— I rejoice with you sir, but, excuse me, I don't quite understand why, if the dollar becomes equal to zero, things will be better for us. I mean, the hole of a bagel is not exactly tastier than the bagel, is it?

— Ah, my boy, do you really not know that everything in this world is in constant motion?

— Indeed I do, sir. I know from my own case. I'm spinning around like a squirrel on a wheel.

— Well that means the dollar can't stop either. It will keep on falling, even after reaching zero.

— But chief, I don't understand. How is anyone going to buy it, if it starts being quoted at less than zero?

— That's the whole secret. No one will buy the dollar. They'll start paying us off, so as not to have to take dollars.

— Chief, that's a stroke of genius! We offer a hundred million dollars to a West German bank, and they, not wanting to take them, shell out a hundred thousand



marks smart-money.

— Precisely right! We offer them a billion . . .

— And they pay us off a million!

— And we offer them . . .

— . . . and they give us! Now, I hope, you understand the beauty of our plan?

— Absolutely, sir. I congratulate you on such a refined strategy. And say, for such a happy occasion as today's plunge of the rate, could I have an advance and something of a raise?

— Shame on you, young man! You mean you don't want to wait until the beginning of our economy's rise to the heights of stability?

— Why sir! I have been taught all my life to expect the coming onset of the golden age in America. But . . . will it start tomorrow?

— I promise nothing for tomorrow. What's the problem?

— The problem is, sir, that due to the fall of the dollar, my landlord is asking for the rent in advance.