

The Book Trail
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By HARRY SCHERMAN

The Real Danger in Our Gold

Simon and Schuster—\$1.00

The next-to-impossible is achieved in these pages—a brief, readable and, for every layman's purposes, practicable explanation of the role gold plays in modern economic society. Whoever does not read this book deprives himself of one of the outstanding opportunities contemporary publishing has offered in the way of simplifying vital knowledge.

Totalitarian doctrinaires, of both the Right and the Left, have struggled heroically to gild gold with the stigmatic hues of an evil power exercised by "finance capitalists," but Mr. Scherman neatly debunks their impressionistic artistry. He reveals the purely functional and wholly practical services which gold renders in facilitating international exchanges and assisting domestic monetary stability. He proceeds further to expose—and I use the word advisedly—the tremendous possibilities for political misuse which are inherent in America's huge governmental store of gold, possibilities which exist precisely because such a store of gold, far from being potentially valueless, actually grows increasingly more powerful with its increasing accumulation.

By all means read Mr. Scherman's "The Real Danger in Our Gold." But when you do so, bear in mind that an understanding of the gold situation does not provide the clue to basic economic maladjustments. Pay attention particularly to the author's conclusion on Page 81 that "Government fiscal mismanagement for seven years has been one of the principal factors that have kept our enormous bank deposits to so large an extent unused in employing the population." (Mr. Scherman's emphasis—and mine!)

Mr. Scherman apparently be-

lieves that employment begins as a result of proper fiscal management, that "bank deposits," which he himself reveals in his text as consisting largely of debts and promises, can put men to work. His concentration of the importance of finance in the problem of employment is emphasized further on page 47 where he attributes "the rise of totalitarianism" to an "attempt of governments to control the economic consequences of their own financial jugglery." But such analysis fails to trace to its source the cause of financial jugglery; and further it tortures the simple historic truth that Germany, Italy and Russia, the totalitarian countries referred to, had no problems of financial management as such at the time they were swooped down upon by political totalitarian ideologies.

The rub of the employment problem everywhere is not what to work with, but the availability of a place on which to work. To paraphrase Jefferson's famous precept, "Give land and the people will make their own capital."

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