

REASSURANCES.

BISMARCK had his famous secret treaty of "Reinsurance." What the Washington Administration is now offering, in connection with its monetary policy, is a series of reassurances. Secretary HULL has sent one abroad to be communicated to European Governments. It is to the effect that our sudden abandonment of the gold standard and our other moves affecting the currency were not in the least intended to be in the nature of a trade threat to other countries, or as a "club" to be held in reserve for the World Economic Congress. Prime Minister MACDONALD also, after his conferences with the President, stated that there was no thought of setting up an Anglo-American dominance in world affairs, but that all the nations interested would be expected to have an equal voice. This is in line with Mr. MACDONALD'S course when he recently returned from Rome. He then admitted that the plan presented to him by MUSSOLINI was in the form of a treaty between four Powers—France and Italy, Great Britain and Germany—but explained that all the other European countries would be consulted and would enjoy its benefits if adopted.

Reassurances of another kind have been sought and have been tentatively given with regard to what President ROOSEVELT may or may not do with the powers which the inflation bill proposes to grant him. Nothing direct has yet come from him. But several in his confidence have been trying to quiet public fears that we are on the verge of reckless experiments with fiat money. It is explained that the President is wholly averse to anything of the sort. He will proceed prudently and cautiously. It may never be necessary for him to go beyond the first section of the bill, which contemplates inducing the Federal Reserve Banks to enlarge credit by buying \$3,000,000,000 worth of Government obligations. Any further action, it is hinted, is purely hypothetical and may never be taken at all.

These calming and placatory outgivings may reassure, to a certain extent, the general public. But what will be their effect upon the convinced and determined inflationists in Congress and in the country? If the President refuses to act as they propose to authorize him to act, will they not accuse him of bad faith? He has assented to putting several of their ideas into a bill. What for, if they are never to be used? Before such an embarrassing question is asked of him, it is much to be hoped that he will make assurance doubly sure through some form of direct and official statement.