

CHAPEL, April 20, 1933

*(Handwritten initials)*

-- President Wright

Scripture lesson: Mark VIII, Verses 31-38

You who have seen the morning paper have seen something very interesting to the whole world. Our government has gone off the gold standard. This probably means that the price of all kinds of things will go up. That is the intention of the president in taking this step. It is an effort on his part to place the dollar, which is the standard in our country, on its real worth in comparison with other nations. It also means that for the time being there is nothing back of our money except the government's promise. When we were on the gold standard you could take any of our currency and demand gold for it and get it. All currency, silver, etc., was redeemable in gold. That is what is meant by a gold standard. Going off the gold standard means there is nothing back of this money for the time being but the promise of the government; in other words, it is just the faith we have in our government that makes our money worth anything. If this does accomplish what the president means that it shall accomplish it will be a great thing for our people. We have had too little money to carry on. When money is scarce everything money buys is cheap. The recommendation from the president is that Reserve Banks issue more money, that is, that we have a larger volume in currency. Of course, currency does only a small part of our business, but if the volume of currency is increased business flows more freely. When money is scarce everything will be cheap. How long we will stay off the gold standard is not known; what effect it will have on other nations of the world is not known, but it will affect every nation on earth. It may mean that other nations on the gold standard now will go off. It may mean that money will become very cheap, if so everything we buy will be very high. We can't tell what effect it will have. England did everything in her power to hold up the price of the dollar; didn't want our dollar to go down. England is off the gold standard. It will be a

week or two before we know what effect this is going to have on other nations of the world. This is something that has never happened before. (I hope teachers' salaries will go up with everything else.) Read the papers from now on. We are living in an interesting time.

Our Legislature has had a rather interesting time. It looks this morning that the House is going to pass a two per cent sales tax. It will go to the Senate and the indications are that many things in the revenue bill will be taken out, and ---the Legislature will adjourn" in the sweet by and by."