then to the "double-think" and program the public to an "*in*credibility gap" by suggesting the need for devaluation when it is not necessary, a type of psychological manipulation that could be especially profitable if the exchange margins were wider.

The problem, however, is that the public has grown tired of that kind of nonsense. It was more fitting to the morality of an age past than to the present; it is not only distasteful, but self-defeating. The chairman of the Swiss Bank Corporation, Dr. S. Schweizer, expressed this sentiment last December in a circulated letter to Mr. McChesney Martin:

"The declaration that the Dollar will be defended up to the last ounce of gold is no longer being taken seriously by anybody and *had better not be repeated*, since it implies the possibility of developments which, if they should materialize, would be bound to shake the confidence in the Dollar still more."

and,

". . . millions of people all over the world feel very strongly that the greatest hazard of all is the uncontrolled amount of promises and undertakings which governments all over the world can, and do in fact, create, at no other cost than the paper on which they are printed."

This was written just after the U.S. in December had promised not to alter their support policy for the private gold market, two months before the Washington communique which announced the abandonment of support for the private market. The statements of monetary officials, and even heads of state, on this subject have been justly derided as so much hot air.

Unfortunately, the problem goes beyond mere deceit and immorality. Monetary officials live a day-to-day existence reacting to, rather than grasping, events; and they are beginning to lose touch with the real world. They seldom get time to see how the monetary system fits into the wider world about them. It is the greatest of illusions now to imagine that central bankers are "practical" men; the world looks flat inside the restricted intellectual boxes they inhabit. Consequently, when, over the past decade, they have been confronted with the pressures of a gold exchange standard, bent on self-destruction, and their own verbal commitment to save it, with imaginary weapons, they have increasingly lost touch with reality, succumbing to belief in the twaddle they once put out for the common public or for academic scribblers as mere propaganda. Meanwhile, the academic scientists has increasingly moved out of the ivory towers of learning that an obsolete tradition had accustomed him to inhabit, in order to bring himself into closer contact with a world crying out for reform. But monetary officials have been moving in the opposite direction. Just as in the middle ages, "academic" had become a synonym for "useless," so bureaucratic officialdom is pre-empting the purely ornamental function that used to be the sole prerogative of professors. If officials are to anticipate the needs of the future, it is not enough for them to officiate: they need to come out of their marble palaces and see their own activities in the perspective of the changes that have been taking place in the real world.

Perhaps one could find no better illustration of the impractical streak that officials have developed than the experience of creating Special Drawing Rights (SDRs). This was the sole output of years of study and negotiation by the most adept experts in the Treasuries, Central Banks, the BIS, the Group of Ten, and the IMF. The working parties had been told not to study the gold problem, because that was too sensitive a subject, while the research department of the IMF had been put out to graze on "safe" subjects. The outcome was such a complicated masterpiece of irrelevance that the heaviest guns of exuberance had to be fired last fall to distract the public from the nerve-wracking uncertainties of the exchange market. Claims of the "greatest thing since Bretton Woods," a "milestone in world co-operation," and one of the "great days in the history of financial co-operation," were needed to distract the public's attention, even temporarily, from the more exciting things that were going on in the exchange markets. These statements were made just a few months before the system broke down. It all fitted into what Robert Triffin refers to as the garbage-can complex.

How else should one describe the living bouillabaisse that currently passes for an international monetary system? We have—as assets—gold, dollars, sterling, Roosa bonds, swaps, drawing rights, and special drawing rights, not to speak of the minor reserve currencies like the franc and escudo. The vast intellectual and diplomatic effort poured another asset into the garbage—following E. M. Bernstein's principle of "add, never take away." The theory is a subtle one, however, presumably grounded on the idea that enough clutter will make the need for rationalization of the several assets obvious.