able in order to prevent mankind here and abroad from being crucified upon a cross of gold—a phrase that is becoming increasingly relevant today even though it may not have been when first uttered.

We congratulate Congressman Reuss for his courage and imagination in holding hearings of the Subcommittee on International Exchange and Payments of the Joint Economic Committee at which opportunity has been given for the presentation of bold proposals to win freedom from the shackles of the gold myth. More particularly, the Nation owes him a debt of gratitude for the daring he displayed, in his press release of December 12, 1967, when he offered concrete proposals to deal with the gold problem. Faithfulness to its obligations under the Employment Act would require the Council to show comparable courage and imagination rather than retreat headlong into advocacy of damaging, negative, and restrictive policies as solutions for the payments deficit.

The position of the present members of the Council stands in sharp contrast to that taken by two former members who made up the majority of President Kennedy's original Council. Neither of them has been afraid to suggest that serious consideration should be given to breaking the link between the dollar and gold. Walter Heller, former Chairman of the Council, wrote recently:

> . . . we need to think about the unorthodox:
>
> Perhaps we should go beyond saying that our $12 billion-plus of gold is fully available to defend the dollar and, in effect, invites the world to "come and get it" as a demonstration that the dollar is not only as good as, but better than, gold.
>
> Perhaps we also need to expose gold speculators, both official and unofficial, to a down-side risk—one approach would remove our pledge to buy gold at $35 an ounce (while maintaining our pledge to sell at that price)."

This, in essence, is also the approach Congressman Reuss suggested to "dethrone" gold.

Former Council member James Tobin was quoted in the Wall Street Journal for February 5, 1968, as saying:

> The outlook for the world economy would be very much brighter today if the dollar were once and for all cut loose from gold.

The Journal article continued:

> Much more traumatic than the uncertain fluctuations of a floating dollar, say Mr. Tobin and other analysts, are the financial disruptions caused by the currency devaluations—such as the recent devaluation of the pound—that periodically occur under the present monetary system. In passing, it is noted that the Canadian dollar 'floated' freely for about a dozen years after World War II and that Canada prospered greatly in those years. A further claim: Other countries would not permit a floating dollar to depreciate drastically in relation to their own currencies—as some authorities fear might happen—because such a dollar would give Uncle Sam too great an advantage in world markets.
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> Without the "discipline" of gold, is it not likely that American politicans in power would pursue dangerously inflationary economic policies? Not at all, say some economists. "In effect, U.S. policy makers were under no constraint from gold from 1933 until the late 1950s," claims Yale's Mr. Tobin. "Yet, the country's economic policies were hardly reckless during that time." In those years, it is noted, U.S. prices generally were more stable than those in any other major country.

While not advocating complete elimination of gold from the world monetary system, even so conservative a spokesman for the financial community as the Chairman Martin of the Federal Reserve Board