agrees on the irrelevance of the gold "mystique and fetish" to economic discipline. According to the New York Times, Mr. Martin said:

* * * that the United States "must not bow down to the idol of gold" as the only discipline against inflationary national economic policy.

He scored the reliance on gold * * * as "the be-all and end-all" of national monetary policies.

* * *

"I think it's barbarous to think that we haven't got the intelligence to manage our economy so that we have to depend on a metal—this barbarous metal," he said.

When confronted with restraints on capital exports—which affect their interests—leading private bankers, also, have been led to acknowledge that there are some things more important than the link between the dollar and gold. Early in April 1967, the Chase Manhattan Bank published a suggestion that ". . . the United States could cease buying and selling gold." Two days later, President Rudolph A. Peterson of the Bank of America suggested "a gold strategy that embraces a variety of tactics." One of the tactics was the same that proposed by Congressman Reuss to "dethrone" gold. As Mr. Peterson put it, this tactic:

* * * recognizes that, while we are committed to maintaining the gold value of the dollar there is no overwhelming reason why we should sustain the dollar value of gold; that is, we may have to reconsider our gold *buying* policy." [emphasis in original]

The proposal that the United States cease buying gold has highly reputable academic origins. One means of implementing the proposal, and some of its probable effects, were spelled out by Congressman Reuss in the press release referred to above:

The United States could announce that all foreign monetary authorities holding dollars—which they have at least in part acquired as a result of the U.S. commitment to turn them into gold—have a set period of time in which to demand gold. This announcement should be accompanied by an announcement that the United States no longer agrees to buy gold at $35 an ounce, and will not make gold available for official dollar holdings to be acquired in the future. In all likelihood, only a small fraction of the roughly $15 billion in official dollar holdings would be presented for gold—because the future of the gold price would become extremely dubious, and because most foreign official dollar holdings are necessary either for current transactions or will be held because their holders have confidence in the dollar, and wish to take advantage of the interest rate that is payable on dollar holdings. The present parity values of the dollar would then be supported, under International Monetary Fund rules, not by gold but by exchange operations, just as all other exchange rates are now maintained.. If we maintain an economy aimed at full employment without inflation, there is no reason why the current exchange value of the dollar with other currencies cannot readily be maintained. If France, for example, thinks that the dollar should be devalued, let it press its position within the International Monetary Fund. I doubt very much that it would wish dollar devaluation, since this would simply cut down on American tourism into France, and on the sale of French wines and perfumes in this country.

Under these circumstances it would soon become clear—perhaps even to General de Gaulle—that, in Walter Heller's words, "the dollar is not only as good as, but better than, gold." As the Chase Manhattan Bank pointed out:

Gold has an intrinsic value far below that of the purchasing power of the dollar. Yet, because of the belief that its official price might rise, gold is the only international asset that can compete with the dollar. No sophisticated investor or central banker, if he were certain that the price of gold in terms of dollars would