

above, for granted (i.e.: governments change, but top inside advisers and top administrators remain), the influence of the top inside adviser is formidable. Indeed, as pointed out by Erik Ib Schmidt in his paper, his role is more important than the role ascribed to him according to the usual textbook-description. This is due to what Schmidt calls „the principle of complementarity“. I shall not discuss this idea in the present context, but only mention that I find myself in agreement with Schmidt on this point, at least as far as the main aspects are concerned. I certainly agree that the role of the inside advisers is extremely important, and that he can never be substituted by outsiders.

However, there is a price to be paid by the inside adviser for the very substantial impact he may have in the political decision-making process. This price relates to constraints in his possibilities of making his own viewpoint known to the public-at-large, a problem which obviously mainly arises to the extent that the views of the adviser happen to differ substantially from those of the government he is advising.

What we are now approaching is one aspect of the problem of loyalty by the inside adviser, a problem on which much can be said — and much has been said¹⁰⁾. It has been interesting to learn, from professor P. de Wolff's paper, that the Dutch government in 1972 issued an „Instruction on the external relations of officials“. By issuing such instructions the importance of the problem is implicitly stressed, but the loyalty problem has so many aspects that one cannot hope for detailed, final solutions in terms of formal rules.

The problem of loyalty is especially crucial in a setup like the Danish, where top inside advisers remain, while governments change. Much can be said for such a system, but it certainly implies that a top inside

adviser can only be efficient along the internal lines, provided that a substantial amount of loyalty towards his government is maintained, whenever the inside adviser communicates with the press, the public-at-large etc. (or with the opposition parties). So there is a trade-off problem involved from the point of view of the inside adviser, at least in the short run: The more impact he wants to have along the internal lines, the more constraints he has to put on himself when dealing with the press etc.

In the long run, there may not even be a trade-off problem. It is difficult to imagine a top inside adviser, frequently having critical comments to the ideas of his government (as top advisers ought to have), who expresses his scepticism publicly and still maintains the confidence of his government. Instead, he will probably become isolated in the internal decision-making process. Furthermore, a tradition according to which inside advisers express their dissenting viewpoint openly, implies the risk that the government prefers top advisers, who are not quarreling too much — and such advisers will usually not be very efficient internally.

Therefore, in my opinion there are good reasons¹¹⁾ for the government to „feel tempted to a certain reserve at this point“¹²⁾. In fact, I feel it rather naive to ask for „more open publishing of recommendations (by inside advisers) concerning economic policy measures“¹²⁾.

7. Here we are at the core of one of the main aspects — perhaps the most important — related to outside advisers. The problem is very simple, but usually overlooked: What can be done to provide the best possible background for the discussion in the press, the public-at-large etc. — *under the very important constraint* that inside advisers have to be loyal to the governments and other bosses, whom they are advising?

¹⁰⁾ See e.g. the comments by CEA members, published in *Challenge*, March/April 1974 pp. 28-42 under the heading "How Political must the Council of Economic Advisers be?".

¹¹⁾ Although different from those, mentioned by Schmidt.

¹²⁾ Quotations from Schmidt's paper. — Obviously, the more the politicians lack in term of imagination and courage — and according to Schmidt most of them are not too impressive in these fields — the more important becomes the role of the inside adviser along the internal lines, because here he has no substitute.