probably as I have hinted, the Common Market, or at least some members of it.

I don't know if I have given you anything that you can sink your teeth into, but roughly, what do you think of that kind of contingency plan, on the assumptions I make that we are not successful?

Mr. ROOSA. Yes, I would like to precede any response by indicating that this is based on all three assumptions, the British failure in the Common Market, the failure of the Kennedy Round, and failure of any promising progress of monetary reform by the end of this year. This, I think, has a lot to do with the approach you take to any kind of selective isolationism, which is what the dollar bloc concept is.

It is selective in that you are inviting a few to share with you, but it is restrictive in the very ways in which you have outlined it. I would say just as a preface on your first question, that in any case the gold cover should be repealed. That is necessary in any event.

Representative REUSS. May I interrupt you at that point, just briefly?

Mr. ROOSA. Yes.

Representative REUSS. Wouldn't it be an excellent idea if we repealed that any day now?

Mr. ROOSA. Yes; it would. I regretted the apparently tactical decision to only do half of it when it was up a year and half ago, and I think it should just be done quickly and preferably without too much sounding of alarm.

I think if we are going to get, or have a chance of getting, the kind of understanding that Professor Kindleberger is quite sure will be forthcoming, we at least have to have evidence that the gold is there. This is the only way we can be sure of having a chance at all that it won't be taken.

Otherwise, with only roughly $3 billion of margin remaining, it doesn't take too long before you reach a crucial point, and if we don't enact the legislation we might indeed be forced to improvise something of the kind you have outlined here, something which I would very much regret to see.

I think, with Professor Kindleberger, that the dollar is and will remain the best currency in the world, that most people will continue to use it as they do the English language, when they are dealing in international affairs, but that this is not going to be encouraged, nor are the conditions that we seek in our foreign policy at large going to be fulfilled, if we acquiesce in the sort of sense of defeat implied by saying we will just pull our few friends around us and create a new set of economic arrangements.

It is possible, and Dr. Schacht did it, and with advantage, for some time. I don't want to seem to be just name calling here. It was an economic achievement, the way in which he did it, and there is much to be learned from it. If, for example, the Kindleberger formula were to be followed, and we were to relax and enjoy the withdrawals that may occur if we don't worry about our balance of payments, we might end up having to resort to some combination of methods of this kind to give ourselves a semblance of orderliness in some of our world trade. But I would surely hate to come to that, and I think far short of that, there are a good many other things that we could do.