Mr. KINDLEBERGER. German prices are rising 5 percent a year, Britain, 5 percent a year, Italy, they are rising 5 or 6. I can't see we are worse off. I am not saying we are well off, but we are certainly not worse off. Certainly, in general, it would be a mistake for a young man to buy lot of insurance because there is probably going to be a trend of prices upward.

Senator SYMINGTON. I am not criticizing you in any sense, I just want to learn. I am uninformed in these matters, and have great respect for you. I have heard Secretary Roosa before and have equal respect for him. But would you say that the more money we lend out through paper gold in the form of dollars all around the world, the better off is our own economy?

Mr. KINDLEBERGER. That has some complications. On the whole, I think the international capital market helps us a little bit, but much more important is its help to the economy of the world. I think the dollar is important to us but also it is important to the world to have an international monetary system which works, which makes trade possible, which has gotten us out of the 1930's. If I may go back to your previous remarks, sir, if it turned out that everybody in the world lost confidence in the dollar, we could get along pretty well with less foreign trade, and turning inward with foreign exchange control in the same way that Mr. Roosa said Germany in the 1930's did. This would not be a very attractive role for the United States, in the world, but the isolationist position would be tolerable. I think our role is much more international than that. My view would be we need to support the dollar, only partly for ourselves.

By the way, if I may say so, there is an awful lot of talk in the literature about prestige. In the course of reading the Joint Economic Committee Compendium on Contingency Planning I found two or three people who said we could not do particular things without humiliating conditions. This "humiliation" refers to prestige. I am not interested in prestige. I think prestige is the last thing to go for. I want a strong dollar, used widely in international trade because it is efficient, an international capital market spreading capital around the world partly because it helps the United States but partly because it makes the world economy go. Prestige is not disregarded by, say, the French, if I may say so. I use that country again despite your suggestion that we should not compare everything with it. I think the prestige aspects of international monetary arrangements are really derisory, very unimportant, but the inefficiency is important. The reason I think English is becoming the international language is not because of the prestige of the Anglo-Saxons. It is because more people know it than anybody else. It works. It is a common currency just as the dollar is a common currency.

Senator SYMINGTON. My time is up. Mr. Secretary, would you comment, also?

Mr. ROOSA. I just would add, I think, that insofar as we think of the dollar's prestige, it is possible semantically to turn that in various ways, but I do believe, as Professor Kindleberger has indicated, that foreign economic strength for a nation is essential, if you are going to maintain a strong position in diplomacy, defense, or the whole gamut of international relations.