It is difficult to brings these things down to where you can explain them to your constituents, but let me give you something I think all Americans can understand. This is something I have never told before, but I think it belongs in this record.

You will remember the days of the financial crisis of last March when we called our partners in the gold pool to Washington. The London exchanges closed down. I went over to visit my colleague, Mr. Nitze, in the Defense Department on Saturday afternoon while we were still negotiating. He was talking on the phone to Germany and I could hear somebody yelling on the other end of the line. Nitze said, "Just a minute. The right man has just walked in." He was speaking to our commanding general in Germany, I do not know the gentleman's name. Well, I will not repeat the words the general was using. He was talking like a general, I can tell you, but his complaint was that his troops were out on the streets and when they tried to get a dollar cashed to buy a beer, the money changers would give than only 85 cents. They would write a check on the post exchange bank, or whatever they have, to pay their rent, and people would not take their checks.

That is an example of the bind that you can get in—that is the ultimate end of the road, Mr. Percy, and that end is chaos and really it would be a dreadful blow to world peace. Then you would have Europe just helpless. It would be helpless. It would be defenseless.

So let me say if we all want to stay alive, peace is the highest priority. There is no higher priority I know for the new administration.

Now, you have moved with resolution. May I suggest, Mr. Percy, that you continue to push, but be tolerant and be helpful, because it is a long way from a resolution to a specific plan. You will find that the Finance Ministers of these countries and their Parliaments have difficulties when they get down to trying to implement the plan. We have tried several times with all sorts of plans. It is an extremely difficult thing. I will tell you what happens. A good offset arrangement, Mr. Percy, inevitably gets into their budgets and they have to vote to raise taxes and they have to vote to raise expenditures, and I am sure the committee will agree with me, this is not easy in any country. That is the nub of the problem.

Maybe you can work it out financially. We have not found any way out of it except the German offset which I will agree is not completely satisfactory. The satisfactory way is to do it in the budget through the appropriation and tax system and that is hard business in any country—but keep pushing. If you would like, one of the great experts in this area, one of the deep thinkers, is Mr. Okun, who has puzzled and worried over this problem as much as anybody I know. Mr. Okun can supply you a list of people this long—and I will be glad to come in and give you any political or practical advice I can give.

Secretary Fowler has worked years on this. So had Secretary Dillon and Secretary Anderson before him. I just want to tell you the priority is high; the solution is difficult. I congratulate you for trying.

Senator Percy. I very much appreciate your statement on this. I think you have to strike while the iron is hot. We have a resolution that has now been approved by the NATO parliamentary group and by the Ministers and the conditions are favorable right now. But if we let too much time go by, this opportunity may slip by.