

may try to solve that by increasing our exports and current accounts. That way we can leave the other things as they are. If we do not, then we will have to look for some other measures. These measures could be, of course, bringing back the forces and their dependents; that could be one way; eliminating part of our foreign aid could be another. But why do you want to solve it absolutely? Well, mostly because we still have a requirement of a 25% reserve in gold to back up our federal reserve notes, on the statutes. This, in my opinion, could easily be changed from 25% to 20%, or from 20% to 15%. Does the 25% have value? It's somewhat archaic. We do not need the gold reserve requirement, but it also serves some purposes. One of the purposes it serves is that at least it is brought to our attention that something is wrong with our balance of accounts internationally.

The remedies that I would offer are, really, unhappy remedies in many ways.

QUESTION: You mentioned that we are gradually moving toward a controlled-type of economy. Of course, the Soviet Union as we know it, is a definitely-controlled economy. We read all the time about the rate of growth and the comparison, and what happens in the Soviet Union.

I understand you just came back from a tour over there. Would you give us your personal views on the Soviet economy and the trends?

DR. POPPE: Yes. We sometimes tend to forget the good points of the American economy and focus the Soviet Union far too much and bring it far too much into the limelight. The Soviet Union is a command economy. Everything is centralized and organized. And, as statistics point out, if, let's say we had had the same growth as we've had in the last 15 years of Czarist times - had we had that same growth, the Soviets would have been about 25% ahead of where they are now.

I pointed out to some of the Russian scholars that communism in and of itself hasn't proven anything to me, as far as success in economic growth is concerned.