While I think under the President and Mr. Heller we have made some progress in this direction, we need to do more.

Mr. ECCLES. I think we have made a start for the first time.

Representative REUSS. Yes. However, I am concerned at your recommendation which goes so far beyond that. It would take us in the direction of the kind of corporate state which once existed in Italy. Management and labor would lose their present rights to make a bargain, and, instead, rights would be vested in the state.

I want to explore with you the justification you put forth in your paper for so radical a remedy, namely, that this country is finding it increasingly difficult to sell goods in the world market.

I call your attention to our export figures in the current U.S. Department of Commerce Survey of Current Business, which shows for the last 5 years we have been increasing our exports. For example, they went from $16,263 million in 1958 to $16,282 million in 1959, to $19,459 million in 1960, to $19,915 million in 1961.

So far as one can project this year's figures, it looks as if we will top the 1961 record this year. Thus, we have a situation where every year for the last 5 years we have increased our exports. Doesn't this record show that we have been able to hold our own in the world market?

Mr. ECCLES. I realize that we have increased exports, but also, imports have increased as the recovery has taken place in Japan and in Europe. We are finding it increasingly difficult to export. True, we are getting some increase. The increases are in certain categories. The question is, how long?

Food is a big item. Machine tools and so forth. There are certain things that are produced here that are not produced elsewhere that we have been able to sell in large quantities. We, however, have provided a lot of the credit for those purchases. The large amount of credit that this country has provided, both private credit and Government credit, has been the big factor in supporting these exports.

In spite of the exports that we have made, we are in a very difficult situation with reference to our international balance-of-payments, I feel that the trend is running against us.

We must do something to eliminate the deficiency in our international balance-of-payments. We have gone just about as far as we can go in that direction. Our exports are not sufficient to offset our lending and aid programs, together with our imports, foreign financing that is being done in this country, American capital that has gone abroad.

We have come into a situation where this year, it is true—and this may be temporary—where our deficiency in balance-of-payments has been less than in periods of the past.

Representative REUSS. I think export expansion is the most important single avenue for overcoming our balance-of-payments situation. In view of the fact that, far from falling off, our exports have increased in the last 5 years, is it necessary, in your opinion, to go immediately to a radical remedy for the wage-price spiral like making strikes illegal and substituting compulsory arbitration throughout the country?

Wouldn't it be better to experiment a little more with what the administration is now attempting to do, that is, setting standards which