Secretary FOWLER. On the estate tax, I think I can give you some information just in terms of the returns that we have from it now. When the returns filed in 1960 and 1961 are distributed by gross estate classes, approximately 90 percent of the returns are concentrated in the gross estate class zero to $60,000. Out of a total number of returns of 1,375, 1,231 fall in the class, zero to $60,000; 67 returns in the $60,000 to $100,000 category; 22 returns in the $100,000 to $150,000 estate tax class; 21 returns in the $150,000 to $200,000 estate tax class; 14 returns in the $200,000 to $300,000 category; 13 in the $300,000 to $500,000 catagory; 5 returns in the $500,000 to $1 million category, and 2 in the $1 million to $5 million category.

Mr. BATTIN. There have been reports in the press that the industrialized countries of Europe are becoming a little hard pressed for capital, at least in the world capital market.

Again going back to the interest equalization business—and we had as much discussion here this morning about that as the bill before us—I believe in discussing that bill, interest equalization tax, there was an indication by some that it would be helpful if there was in existence outside of the United States another money market.

The paper this morning indicates that you met yesterday with the Chancellor of the British Exchequer to discuss ways to increase the amount of money available to finance world trade.

If at one time you are encouraging capital to come into this country by the elimination of tax restrictions and thus encourage its investment here and at the same time discouraging the export of U.S. capital into the foreign market does it not become basically the position of the United States that at least for a period of time we are not willing to cooperate in trying to finance world trade?

Secretary FOWLER. No, not at all. I think, as a matter of fact, the record of the United States in this regard is thoroughly understood and appreciated by the central bankers, and by the Ministers of Finance in Western Europe. They understand as well as we do that the most substantial contribution the United States can make today to the free world monetary system is to bring its balance of payments into equilibrium and keep it there as a support to the dollar as the key currency.

As a matter of fact, most of the financial and economic authorities in Western Europe that we are in contact with have not the concern that you have attributed to some observers that our progress in dealing with our balance of payments is causing these difficulties.

They are concerned with the continued outflow of dollars in the form of U.S. deficits, in effect creating a tendency to inflationary conditions in those particular areas. I think they are quite receptive to the voluntary program that the President has proposed, and which has been accepted and is being carried on, and tend to applaud our efforts in this regard because of their primary concern, which we share, that our first job here is to get our own balance of payments into equilibrium and keep it there. That is the most substantial thing that we can do to facilitate world trade development.

Now, as we make progress in that area, and I am not trying now to assess the degree of our progress in that area, we recognize along with other people that some mechanism for the orderly creation of additional international liquidity, as it is called, which our dollar deficits