international oil companies came before one of the committees I headed in this field and protested the imposition of quotas, whether voluntary or compulsory. The next day the president of one of his wholly owned subsidiaries, which was engaged in domestic production, came in and complained very bitterly about the proposal not being sufficient. And I took the liberty of asking the question, had he consulted with the president of his company before he made his statement. And he was a bit chagrined to realize that his policy was quite different from that of his own company.

This certainly, to my mind, points up the type of interest, and it does cut across all kinds of lines in this area.

Of course, it induces me to ask one question. And that is, with the impact of the developing supranational corporations being set up now, and having been very much so in the last decade, how do you see this as overcoming these barriers other than tariff barriers which have been created by the developing nations?

Mr. ROCKEFELLER. I would hope that this development of the multinational corporations would be beneficial to a more liberal approach to trade, and in restrictions to trade.

Chairman BOGGS. In a way, don't they get around the restrictions?

Mr. ROCKEFELLER. In part by investing in other countries they reduce the need for exports. But I think that is an oversimplification. There are many cases—take the case of Caterpillar Tractor Co., which has huge investments in many parts of the world. It is the second largest exporter. And the experience that they have had has been that their exports have grown with foreign investment rather than shrunk, because they have continued to supply parts and various items that could not be produced completely abroad.

So, my feeling is that the multinational corporations will help in a more understanding and, in my judgment, a better attitude on trade, and that it also has another beneficial effect to the extent that these corporations would become international in character, and are less clearly identified with the United States, and U.S. personnel—many of them now have policies of establishing headquarters in different parts of the world, and they are employing an increasing proportion of foreign, not only employees, but executives—and I think that as this internationalization of the corporations takes place, it may tend to lesson the resentment and resistance on the part of foreign countries to American investment, and what they consider to be, I think inaccurately, American domination.

Chairman BOGGS. Mr. Ball, would you comment on that?

Mr. BALL. I agree entirely with Mr. Rockefeller. And I think, as I suggested in my statement, that there is one further consideration here. The ability of the multinational corporation to fulfill its real objective, which is the use of resources wherever they are found in the most efficient manner for markets wherever they are developed—this implies a gradual washing out of the restrictions that are based on national lines. These multinational corporations are simply too big to operate within national restrictions. And when such instructions are imposed, they interfere very seriously with the fulfillment of the purpose of these corporations. And I think that the realization of this point may over time, tend to erode away these impediments based on national boundaries.