citizens and their central banks. Even if we abandon the pledged gold reserve against outstanding Federal currency, we wouldn't have half the gold now needed, if there were a mass call.

The administration is the one saying it is a serious matter; but they don't seem to be able to do anything about it, sort of like Mark Twain and the weather.

We have been getting these hopeful statements year after year. The operations may be successful, but the patient continues to die.

What do you think of a recent proposal to impose some sort of tax on U.S. businesses abroad, as a means of defraying part of the cost of the Federal Government, protecting, promoting, and defending those private investments overseas.

American companies probably make 10 times as much off a barrel of oil out of the Middle East than from a barrel of oil out of Oklahoma or Texas. On the other hand, if it were not for all the money we spend maintaining a position abroad, defense, foreign aid, et cetera, there wouldn't be much chance of all this business continuing the way it continues today.

Again, with the premise we are steadily losing our gold, what would be your reaction to our putting some form of tax on those companies abroad as a means of defraying part of the cost.

Mr. TROWBRIDGE. Yes. I wouldn't be very enthusiastic about that idea frankly. I feel that the American position around the world is one of heavy engagement because we have what we consider to be national policy reasons. We have national security reasons for our troops in Europe.

We have some very real programs of integrated defense and integrated political action with our allies through treaties and so forth. I think these are the reasons we are maintaining a large defense posture at all.

Senator SYMINGTON. We have a lot of integrated programs with them, presumable mutually advantageous.

Mr. TROWBRIDGE. Right.

Senator SYMINGTON. Now in recent years all the developed countries of the world have increased their reserves and gold holding, Spain over 600 percent, France over 500 percent, West Germany some 482 percent; that is, all but the United States, and we have lost some 45 percent of our gold and reserves in the last 10 years. How long can we have these cooperative agreements with these other countries whereby they end up with heavily increased reserves and gold, and we end up with heavily decreased reserves and decreased gold, if it is a serious matter. The Treasury is always saying it is serious, and I take their word for it.

Mr. TROWBRIDGE. Well, sir, I certainly agree as to it being serious. I can't quite see though that the factor of our defense interests and defense expenditures abroad can be characterized as being necessary, and in fact in place, to protect American business investments, and therefore the business involved should pay, through a tax, for these defense activities.

Senator SYMINGTON. There is more to it than just defense, including all the loan and grant aid programs.

Mr. TROWBRIDGE. Sure.

Senator SYMINGTON. Let's take the shoe business, which we in Missouri know something about.