

will be times when that 90-day paper is going to be exercised, and if General Motors does not have in hand or readily available through credit the liquidity with which to meet those demands, then the way in which you prove what Professor Kindleberger said, and it is true, we are entirely solvent, we are beautifully solvent as a nation, but the way in which you prove it is to go into bankruptcy and then demonstrate on a declaration of assets. That is the point we can't reach. We just don't dare.

Mr. KINDLEBERGER. I must say that I don't know why Mr. Roosa said I was wrong in saying how we keep our balance of payments. The Department of Commerce definition of the overall deficit says that any increase in liability of less than a year is on the deficit side, below the line, and that any increase in an asset—short-term asset—goes above the line.

Now, when Mr. Roosa says that General Motors is building, let's say, long-term assets and 90-day notes, for Heaven sake, it is our short-term assets abroad that we are excluding from our definition. It is our short-term money in London of which there is a lot in the Euro-dollar market which we say we can't count on as an asset. That short-term money we have proven we can bring home because we brought home \$2 to \$3 billion of it in a month. And the notion that any balance-of-payments accounting which says all assets are frozen and all liabilities are what is the word, boiling, to use a Fahrenheit image, that is absurd, just silly.

Mr. ROOSA. Could I just ask Professor Kindleberger if he will submit for the record a T account analysis in which he would show how we last year brought home these dollars owned by us in Europe. Those were borrowed dollars.

Mr. KINDLEBERGER. Borrowed and owned both.

Mr. ROOSA. The amount we brought home that was owned of course was—

Mr. KINDLEBERGER. We can't separate them.

Mr. ROOSA. Was included, but I would certainly like to see a demonstration.

Mr. KINDLEBERGER. Look, Robert, some of the moneys that were brought home which were borrowed by American banks from American corporations which have deposits there. You know what a bank is like. You worked in one. Banks receive deposits and make loans.

Mr. ROOSA. Indeed I do.

Mr. KINDLEBERGER. And we went through the intermediation if you like of the Euro-dollar market, but most of that was American money, an awful lot of it was American money.

Representative MOORHEAD. Professor Kindleberger, is there any accounting internationally kept on this balance sheet and income sheet statement for the United States?

Mr. KINDLEBERGER. Well, the Department of Commerce does put out something it calls the International Balance of Indebtedness, which shows the total of assets to total liabilities, and the difference being net worth. They do that once a year.

Representative MOORHEAD. Does it break down into short and long?

Mr. KINDLEBERGER. Yes. They do that once a year.

Representative MOORHEAD. That would show us better than anything else?