

Secretary Fowler also failed to point out that any shipment of U.S. currency, be it in the form of an investment using U.S. dollars by a U.S. corporation in a foreign enterprise or the making of a grant in dollars by a U.S. foundation to a foreign entity, by definition adversely affects our balance of payments. In other words, any dollar outflow from the United States regardless of its intended purpose constitutes a negative entry in our balance-of-payments table and can very easily cause a further drain on our gold supply. This is so because of the simple fact that, when a dollar is invested overseas in a foreign corporation or when a grant is made overseas in dollars, they can be utilized—once they find their way into the central bank of that foreign country—to demand payment in gold for those dollars.

If Secretary Fowler wants to comment on that, he is privileged to do so in the record.

Mr. SURREY. I might just add, Mr. Chairman, that I would suppose one could also find a number of instances where other forms of philanthropy did involve expenditures of sums in countries, other than the less-developed countries, such as church groups, missionary groups or the like. There has never been a restriction on philanthropy as such.

Mr. PATMAN. I am referring to investments abroad principally and I picked out those that are just isolated instances. What concerns me about the Treasury, and the great disappointment I have with the Treasury—is that we are the only country on earth that does not have some control over the export of our capital. No other country fails to have some type of control over the export of its capital, its currency and its credit.

Is that a correct statement, Mr. Surrey?

Mr. SURREY. I would not want to say how detailed it is. Most of the countries have been attempting to move more and more to fewer and fewer controls.

Mr. PATMAN. I know, but they still have it. I asked Mr. Fowler that one time. I would like to bring it up when he is here, but he has been excused. However, he can answer it if he wants to. He thought there is another country and I said, "Well, Mr. Fowler, if you will let me know what country it is I would appreciate it," but he has never let me know. There is no other country. Since we are the only country doing that, it would certainly be to our benefit and a help to our people to have some sort of export control, to keep a few big banks in New York from furnishing billions of dollars overseas when they want to. That is causing a lot of our problems, just a half dozen banks in this country. Yet we are not making any attempt at all to control the export of capital and credit. I hope that he remembers that other country, and I would like to have the name of it.

Mr. SURREY. That is going into another issue, Mr. Chairman, than the one we have here today.

Mr. PATMAN. That \$500,000 is equal to the amount of duty-free goods that 5,000 Americans would be permitted to bring into this country at \$100 per person. They are restricted because of carrying out the policy that we have in mind. So that is one or two foundations getting as much benefit there, you might say, as 5,000 people.

You are familiar, of course, with the Foundation Library Center which is the propaganda agency for the big foundations. Is the