

lars to the net improvement in the balance of payments and I hope if everything goes all right this year that we are going to end up by having close to \$400 million.

We are sort of having a neck and neck race with Bill Blackie. Some day we hope to catch up with him.

The CHAIRMAN. I wouldn't rely too confidently upon just the package that we will consider in the House next week as a cureall for our balance-of-payments problem. I hope you don't put too much confidence in it.

I think other things will have to be done as well.

Mr. WATSON. No question, sir, and I think that one of the other things to be done is that we simply have to push our exports all we can. I think the recent narrowing of the gap in the trade balance is a worrisome thing. Yet given the opportunity, and if more barriers go up, I think the international business community of the United States can do the job.

The CHAIRMAN. But there must be some reevaluation and reassessment by Government itself if it is to make a major contribution to the balance-of-payments problem as I see it.

Would you agree?

Mr. WATSON. I would, sir.

The CHAIRMAN. It takes all you can do in American business and all we can do in every sector except Government to offset the damage that is done by Government in our balance of payments.

Would you agree?

Mr. WATSON. I couldn't agree with you more.

The CHAIRMAN. That is why I feel we need to make some basic reevaluation of some of our existing commitments.

Mr. WATSON. If I may, Mr. Chairman, as a private citizen, one of the real reevaluations that has always seemed to me should have a high priority—and I know that I am treading on dangerous ground and that one can get into trouble for saying this, but I believe it—is I think we ought to reexamine what we are doing in Europe.

I don't think we can carry the whole world on our backs continually. It seems to me that a policy of having occupying troops abroad more than 25 years after the end of hostilities, in an entirely new ballgame, needs reassessment.

The CHAIRMAN. Off the record completely.

(Discussion off the record.)

The CHAIRMAN. Mr. Bush.

Mr. BUSH. Mr. Watson, does your committee feel that we ought to have a favorable balance or do you feel that we ought to have a balance in our international trade? On the statement you made earlier, you have to buy to sell, you know, this is fundamental and I think we all agree with it, but if you were calling all the shots and you three or four gentlemen could mold it in any way in a utopian fashion would you want a favorable balance in this country or would you want a balance of trade?

Mr. WATSON. I would like to get the balance first. Then our own objective, of course, is to have a favorable balance, and I think we have the ability to do it.

Mr. BUSH. But your committee would be united in that we ought to sell more abroad than we get in from them? That would be the national goal and the national purpose?