

suggestions. Now, you say return troops. How many troops and how many dollars would you save?

Mr. NORRIS. I am not in a position, Mr. Boggs—

Representative Boggs. Then, let me spell out others. Where else would you save money?

Mr. NORRIS. I think we could reduce the number of people we have abroad on behalf of the State Department and certain Government agencies.

Representative Boggs. They have reduced them considerably. How much more would you reduce them?

Mr. NORRIS. I am not in a position to give you figures because I haven't studied it, sir.

Representative Boggs. Do you have any specific recommendations on domestic expenditure reductions?

Mr. NORRIS. As we say in our basic position, we think that domestic expenditures should be maintained only for those of high urgent priority.

Representative Boggs. Do you have any suggestions as to priority? Understand, we are confronted with legislating on these proposals.

Mr. NORRIS. Yes; and I am well aware that this is a problem right within the Congress today.

Representative Boggs. It certainly is.

Mr. NORRIS. In attempting to reconcile some of the things that the administration would like to do with what the Members of Congress feel should be done, I realize this is a problem. I am not in a position to deal with the specifics. I think that this is a matter of basic policy that we should adopt.

Representative Boggs. But you are dealing with specifics. You are talking about sound fiscal policy. You are talking about balanced budgets. You are talking about monetary restraints. You are talking about no tax on travel abroad, the removal or modification, at least, of the regulations with respect to investment abroad.

Do you have any recommendations, specific recommendations, in respect to increasing our export position?

Mr. NORRIS. Yes. I think that we must always do everything to increase exports, but we should not curb investments unnecessarily. I recognize at the same time that we are faced with an emergency situation, that we must take immediate steps to do whatever we can to correct our payments imbalance.

At the same time, I think that there should be a full recognition within Government of the very positive inflow and contributions which these investments make, and the fact that these investments do generate considerable exports. Consequently, I would be very reluctant to see any substantial curbing of these direct investment programs. I think that there can be certain tax incentives adopted to promote exports.

Representative Boggs. Spell that out a little bit. What kind of tax incentives?

Mr. NORRIS. I think that this can be done perhaps by particularly encouraging those who have not entered the export field—to encourage them by allowing some tax credit based upon their export business. That is one approach to the subject.