He can make 3 percent a month in Brazil tonight, but if you get it down there you can't get it out. There are lots of other places to go with money. So, I am suspicious that these exchange controls will be self-defeating because of the fear that they create in the minds of foreigners.

Chairman PROXMIRE. You think they will be self-defeating and quite rapidly.

Mr. COOK. In my judgment, like the battlelines during the Civil War, the value of the bonds in France went up and down based on the value of the collateral in the South.

I think the same is true. As our balance-of-payments deficit or surplus fluctuates, so will the efficacy of the exchange controls, particularly when we have $30 billion in short-term assets abroad on call.

Chairman PROXMIRE. My time is up.

Senator Percy?

Senator PERCY. I am sorry I was not here for the testimony, but I read your statements. Mr. Hamilton, I can only say I wholeheartedly concur with virtually everything you have said. The positions are sound, and we deeply appreciate your giving us the benefit of these views.

I would like to ask this. I have read several newspaper articles indicating there was some reluctance on the part of companies to testify, because of the procedure being used for specific exemptions. There is a good deal of discretion in the Department of Commerce as to who gets exempted. The implication in the articles was that if someone came down and testified, they might not be exempted. Do you think that this is a legitimate concern as expressed in this newspaper article?

Mr. HAMILTON. I guess I had better answer that, Senator Percy. No. Obviously, if we thought this was a problem, that we weren't going to be treated fairly by the administrators, we would have had to consider—rather, we would probably have been up here earlier, let me put it that way. No, we fully expect the people in the agencies to render effective and fair treatment.

As I mentioned, before you came in, I think the problem is that they have been given both a set of regulations and a target, and they are very reluctant to ease up in places where it otherwise obviously makes sense, because they don't know what the quantitative results will be on that target.

I said earlier that I am glad I do not have to manifest the wisdom that they are going to have to have to review, let's say, our whole corporate program as it affects the international flow in 1968, and do it in such a way that it provides equity among companies, that it duly recognizes the rights of shareholders, and that it takes the proper long-range view of the U.S. balance-of-payments interest.

It would have been better if we could have had a more well-considered and well-thought-out regulation. The regulation frankly was drafted quite harshly, with the thought that administratively it could be made more lenient, more responsive to need. But the resulting load on the people in the Office of Direct Foreign Investment is tremendous and may prove to be nearly impossible.

Senator PERCY. Mr. Norris, I wonder if you could comment on the small percentage of export business done by small business in this country and the vast proportion of it done by major business.