quarters on this side of the water to control, partly because the income itself is subject to competitive conditions over which they have no control, and partly because repatriation at excessive levels is dangerous, for reasons I have mentioned, such as having nationals on the board, having a rather delicate situation of trying to fit into the local national scene as much as possible to further our relationships with our customers, the governments, and our competitors. Therefore, I would conclude that we should stay away from the income side, and from any targets with respect to that area, except for the one requiring the same percentages of payout as in prior years.

I would accept the latter as being perfectly reasonable, and I would even have gone a little further and said you could have had a modest increase in that payout rate which might, in our case, mean something slightly above the present 50 to 55 percent, but not, sir, in the area of 80, 85, or 90 percent.

Representative WIDNALL. Do the other witnesses have the same opinion with respect to that?

Mr. NORRIS. I think so. Basically; yes, sir.

Representative WIDNALL. Is that true with you, Mr. Walker?

Mr. WALKER. Yes.

Representative WIDNALL. Mr. Cook?

Mr. COOK. I am not suffering from the pangs of maturity that my friend on the right is, so we have never repatriated any money, so anything you do to us in my type of business, which is a high borrowing, low equity position in agricultural commodities, quite frankly, I don't know what it is going to do with our overseas trading. I don't really think that is an issue right here as far as my balance of payments. We have some serious problems, and frankly, we don't know what we are going to do. In the first place, we can't understand the regulations.

Chairman PROXMIRE. Thank you very much, gentlemen, for excellent testimony on a very complicated problem. We will now hear from Ambassador William M. Roth, the President's Special Administrator on Trade Negotiations, and if he cares to bring some of the gentlemen on the staff with him, he may do so.

We are delighted to have you. We know of your reputation in this situation. We are proud and happy to have you here. We have some serious questions about the trade problems. You have a prepared statement. If you will introduce your colleagues for the record.

STATEMENT OF HON. WILLIAM M. ROTH, PRESIDENT'S SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS, ACCOMPANIED BY THEODORE R. GATES, CHIEF ECONOMIST; JOHN REHM, GENERAL COUNSEL; AND WILLIAM KELLY, COORDINATOR FOR NEW TRADE POLICY STUDY

Mr. ROTH. This is Mr. Ted Gates, who is our Chief Economist; Mr. John Rehm, who is our General Counsel; and Mr. William Kelly, who is the Coordinator for our New Trade Policy Study. If I could, I would like to read my statement.

Chairman PROXMIRE. Very good. You may proceed.

Mr. ROTH. I have made some changes in it since the one you have before you.