

Mr. KATONA. I fully agree with you and all our efforts should be directed toward greater cooperation and mutual tariff reductions between Common Market countries and the United States.

Representative REUSS. I am glad to have your answer. My time is up.

Chairman PATMAN. We have another meeting here at 2 o'clock with Dr. Heller and the other members of the Council of Economic Advisers. Shall we go further?

Representative CURTIS. I personally would like to.

Senator PROXMIRE. I have a couple of questions.

Chairman PATMAN. You may go ahead, Mr. Curtis.

Representative CURTIS. Thank you very much, because I want to get into some of the details and I spent my previous time on the general overall picture. Have any series of statistics been developed on new products and services on the market? I have heard a figure that something like 25 percent of the goods and services on the market today were unknown 5 years ago.

Mr. GREENWALD. It is an estimate that we may have made at McGraw-Hill.

Representative CURTIS. I think there was an estimate.

Mr. GREENWALD. What we do in our surveys is ask the question about expectations for new products and what percentage of sales they account for in a period of 4 years ahead.

Representative CURTIS. That is a sort of ad hoc thing.

Mr. GREENWALD. We check back every year.

Representative CURTIS. Is 25 percent accurate?

Mr. GREENWALD. That is close but not exact. The time period is wrong. When we asked this question the very first time in 1956, the result was that about 10 percent of manufacturers' sales would be in new products 4 years ahead. When we asked it the last two times we got an answer of 14 percent. This would be for a 4-year period. So if you add these two together you come fairly close to 25 percent but for an 8-year period.

Representative CURTIS. I think Monsanto Chemical made the observation (though I may be quoting them wrong) 90 percent of their dollar sales reflected items that were not even manufactured in 1950.

Mr. GREENWALD. May I provide you with a few figures, sir?

Representative CURTIS. Yes, please.

Mr. GREENWALD. I will quote them to you from our survey of business plants for new plant and equipment, 1962-65. These data are on an industry basis. These are the percents that new products will account for of sales in 1965. For iron and steel, 5 percent; nonferrous metals, 9 percent; machinery, 23 percent; electrical machinery, 22 percent; autos, trucks, and parts, 10 percent; transportation equipment, 34 percent; fabricated metals and instruments, 18 percent; the chemical industry, 16 percent; paper and pulp, 10; rubber, 6; stone, clay, and glass, 13; petroleum and coal products, 6; food and beverages, 12; textiles, 13; miscellaneous manufacturing, 9; and all manufacturing, 14 percent.

Representative CURTIS. To me it is in this new product area but we will find the answer whether we are going to have a growing and dynamic economy. I was very pleased to listen to Congressman Reuss develop a theme that I have been trying to develop for some time. It