been with Western Europe and the United Kingdom. However, I am encouraged by our 1966 trade which I believe will exceed $350 million—one of the highest levels attained in almost two decades. Under favorable circumstances, I can foresee substantial increases in our trade with Eastern Europe in goods and technology for peaceful uses.

Major increases in our trade will not be possible, however, until we remove the political and commercial obstacles involved in our continued denial of most-favored-nation tariff treatment of imports from most Eastern European countries. For its part, Eastern Europe must improve substantially its export products and its ability to market them in the United States.

The administration sought authority to extent most-favored-nation treatment as part of broad bilateral commercial agreements to be negotiated with these countries under the proposed East-West Trade Relations Act which Secretary Rusk submitted to the Congress last May. President Johnson has clearly indicated that he will seek similar authority from the present Congress. I fully support the need for such authority and believe the resulting commercial agreements would in many ways facilitate improved commercial relations with these countries and lead to worthwhile increases in peaceful trade.

Mr. Chairman, this completes my statement. Let me thank the committee again for the opportunity to appear before you.

Thank you.

(The tables and charts referred to follow:)

TABLE 1.—*A 3-year performance of selected major economic measures*

	Quarterly changes [1] in—					
	Real GNP	Real disposable income	Civilian employment	Wholesale price	Consumer price	Rate of unemployment
	Percent	*Percent*	*Millions*	*Percent*	*Percent*	*Percent*
1964:						
1st quarter	5.6	8.0	2.2	−0.4	1.2	5.5
2d quarter	6.0	10.0	1.7	−2.0	.8	5.3
3d quarter	4.8	5.2	1.0	1.6	1.6	5.1
4th quarter	1.6	3.2	2.0	.8	1.6	5.0
1965:						
1st quarter	8.8	4.8	1.8	2.0	.8	4.8
2d quarter	4.8	4.8	2.4	4.0	2.8	4.7
3d quarter	6.8	12.4	.8	2.8	1.6	4.5
4th quarter	8.4	6.4	4.6	2.8	2.0	4.2
1966:						
1st quarter	6.0	4.0	0	5.6	2.8	3.8
2d quarter	2.0	−.4	2.2	2.0	4.4	3.9
3d quarter	4.0	4.0	.7	4.0	3.6	3.9
4th quarter	4.4	4.4	4.2	−2.8	3.2	3.8

[1] Quarterly changes at annual rates; based on seasonally adjusted data.

Source: U.S. Department of Commerce and U.S. Department of Labor.