to private investment abroad for a number of years. This trend[1] has been evidenced, for example, by the Interest Equalization Tax Act, the Revenue Act of 1962, the voluntary investment controls program, banking controls, etc. Moreover, it is impossible to accept with any credibility the "assurances" that are being offered currently that this is a temporary program. The country has had experience with "temporary" programs previously adopted that are now firmly embedded in our system.

C. *Protectionism in reverse.*—The control system that has been inaugurated represents protectionism in reverse. It is an attack on the ability of American industry to maintain and improve its position in international trade. It is a give-away to the competition. As for Europe, it is almost tantamount to a forced retrenchment of American industry's position in Europe.

In carrying on world trade in the broadest sense, American business confronts foreign competition abroad and at home. Nationalism and restrictionism abroad have created a wide variety of trade barriers. Regional trading blocs are growing in significance. U.S. private investment abroad has been a critical tool in our business effort to counter these obstacles. Now U.S. business' freedom to use that tool is being seriously disabled. The schedule of import-export ratios for certain capital goods products, shown on the next page, underscore a trend which should make it unthinkable for government to support a mandatory investment controls program. There is a limit to what business can sustain.

IMPORT-EXPORT RATIO FOR MAJOR CAPITAL EQUIPMENT CATEGORIES

[Imports and exports in millions of dollars, ratios in percent]

	1960	1961	1962	1963	1964	1965	1966
Engines and parts:							
Imports	24	35	28	49	136	195	331
Exports	490	565	694	661	676	841	975
Ratio	4.9	6.2	4.0	7.4	20.1	23.2	33 9
Agricultural machines and tractors:							
Imports	135	115	152	172	195	249	327
Exports	565	541	558	645	825	865	860
Ratio	23.9	21.3	27.2	26.7	23.6	28.8	38.0
Office machines:							
Imports	68	75	85	98	104	136	191
Exports	208	310	324	362	434	471	557
Radio	32.7	24.2	26.2	27.1	24.0	28.9	34.3
Metalworking machinery:							
Imports	37	34	41	48	40	63	135
Exports	293	391	435	347	408	332	338
Ratio	12.6	8.7	9.4	13.8	9.8	19.0	39.9
Textile and leather machinery:							
Imports	70	82	94	93	127	157	221
Exports	180	210	200	190	228	207	227
Ratio	38.9	39.0	47.0	48.9	55.7	75.8	97.4
Other nonelectrical machines:							
Imports	104	114	140	175	269	360	472
Exports	1,650	1,725	1,876	2,004	2,289	2,558	2,822
Ratio	6.3	6.6	7.5	8.7	11.8	14.1	16.7
Power machinery and switchgear:							
Imports	23	28	25	22	41	67	105
Exports	250	255	264	326	356	472	488
Ratio	9.2	11.0	9.5	6.7	11.5	14.2	21.5
Telecommunications apparatus:							
Imports	127	160	216	220	225	314	486
Exports	228	274	367	390	404	345	381
Ratio	55.7	58.4	58.9	56.4	55.7	91.0	127.6
Other electrical apparatus:							
Imports	136	146	174	177	177	259	425
Exports	612	696	730	777	905	844	1,030
Ratio	22.2	21.0	23.8	22.8	19.6	30.7	41.3
Machinery, nonelectrical, total:							
Imports	438	455	540	635	871	1,160	1,166
Exports	3,386	3,743	4,087	4,209	4,860	5,274	5,779
Ratio	12.9	12.2	13.2	15.1	17.9	22.0	29.0
Electrical apparatus, total:							
Imports	286	334	415	419	443	640	1,016
Exports	1,090	1,225	1,361	1,493	1,665	1,660	1,899
Ratio	26.2	27.3	30.5	28.1	26.6	38.6	53.5
Machinery, total:							
Imports	724	789	954	1,054	1,314	1,800	2,693
Exports	4,476	4,968	5,447	5,702	6,525	6,934	7,678
Ratio	16.2	15.9	17.5	18.5	20.1	26.0	35.1

[1] See the MAPI statement to the Joint Congressional Economic Committee, February 28, 1967.