

The CHAIRMAN. We are pleased this morning to have you gentlemen with us and we will ask the Secretary of Commerce to make the opening statement, and I want to take the occasion this morning to welcome back to the committee in his present capacity the Secretary of Commerce.

I remember he has testified before the Ways and Means Committee in the past as a very distinguished businessman and at that time head of one of our very fine American airlines. Mr. Smith is to me the type of individual that has made America great in that he had a dream one time, and I don't know how you accomplished it except by hard work and maybe by borrowing from all your friends to get an airline started, but certainly you have made your mark in business, and I am certain that you will go down as a very fine Secretary of Commerce.

We appreciate having you with us.

STATEMENTS OF HON. CYRUS R. SMITH, SECRETARY OF COMMERCE; HON. STEWART L. UDALL, SECRETARY OF THE INTERIOR; HON. W. WILLARD WIRTZ, SECRETARY OF LABOR; AMBASSADOR WILLIAM M. ROTH, SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS; ACCOMPANIED BY HON. LAWRENCE C. McQUADE, ASSISTANT SECRETARY FOR DOMESTIC AND INTERNATIONAL BUSINESS, DEPARTMENT OF COMMERCE; HARALD B. MALMGREN, ASSISTANT SPECIAL REPRESENTATIVE, AND JOHN B. REHM, GENERAL COUNSEL, OFFICE OF SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS; AND FRED B. SMITH, GENERAL COUNSEL, DEPARTMENT OF THE TREASURY

Secretary SMITH. Thank you, sir.

The CHAIRMAN. You are recognized, sir.

Secretary SMITH. Thank you. Mr. Chairman and members of the committee, this committee will be examining in this hearing a number of proposals of great consequence to the future course of our trade policy. Before turning directly to that issue, could I give you a brief review of our foreign trade account in recent years, to provide a background which I hope will be helpful to you in your considerations?

EXPORTS

When we view the total of our exports, some refreshing figures are available, indicating a substantial growth. In the first 4 months of 1968, our trade advanced to new records, with exports at an annual rate, seasonally adjusted, of \$32.7 billion, 6 percent above the value for 1967.

Exports have been growing strongly since 1960. The annual rate of growth from 1960 through 1967 was 6.7 percent. Expressed in dollars, our exports in 1960 were \$19.6 billion and \$30.9 billion in 1967.

At the end of 1967, exports exceeded imports for all of our principal trade areas of the world with the exception of Japan.