cent. The chart also shows that the average annual rate of change in imports is above 10 percent.

Is this an accurate chart, Mr. Secretary? I assume it is.

Secretary SMITH. Yes, sir.

Mr. BYRNES. It seems to me that Ambassador Roth and your people should reconcile your views. There is certainly an inconsistency in this chart and Ambassador Roth's generalization that exports and imports have been increasing at about the same rate, Mr. Secretary.

Ambassador ROTH. No; that was not my intent to say——

Mr. BYRNES. Will you accept the conclusion, then that imports have been increasing at an annual rate of change exceeding the average annual rate of change of exports?

Ambassador ROTH. Over a period of 10 years?

Mr. BYRNES. Well, from 1961 to 1967, which happens to be the chart that I have.

Ambassador ROTH. It is true this has happened over that period.

Mr. BYRNES. All right. Mr. Secretary, your statement calls attention to the growing percentage of our export trade composed of capital goods exports. It appears that what we seem to be developing is an exporter of capital goods and an importer of consumer goods. I find this disturbing, and I wonder if you agree that this is disturbing. We are not importing very much by way of capital goods; are we?

Secretary SMITH. Yes; a substantial amount. We have the figures on it.

Mr. BYRNES. I can't hear you, Mr. Secretary.

Secretary SMITH. Yes; we have substantial imports in that area and would be glad to give you the figures on it. We will give you a chart on both exports and imports in the capital goods area. (See p. 94.)

Mr. BYRNES. Mr. Secretary, on page 2 of your statement, you made the point that the growth in the amount of our exports is attributable to capital goods. It appears from the figures you cited that capital goods now are about a third of our exports, while in 1960 they were about a quarter of our exports. We are moving in the direction of greater and greater emphasis on capital goods exports; aren't we?

Secretary SMITH. No doubt about it.

Mr. BYRNES. My point is what happens when a country on a long-range basis becomes dependent on consumer goods in terms of importing, and relies in its exports on capital goods?

Can we maintain that posture in reference to capital goods?

Secretary SMITH. No; I don't think so.

Mr. BYRNES. There is no question we will have to export consumer goods.

Secretary SMITH. I don't think it necessarily follows always; but I think we should make a great effort to be more competitive in the consumer goods field.

Mr. BYRNES. But the point is, we are not in the export area. Isn't that the point at which we are having a deterioration or a problem internally? Aren't industries that are feeling the pinch of imports basically the consumer industries?

Secretary SMITH. That is not a substantial part of the total figures but I think your statement is correct.

Mr. BYRNES. But you don't think this is anything to be concerned about?