

oriented rather than import competitive. Directly competing imports average only 2 percent of their annual sales compared with a 5 percent national average and only five of these 32 experience competing imports above this 5 percent national norm. These five industries, incidentally, operate behind protective tariffs which now average 30 percent ad valorem. Contrasted with this import-competitive sector which employs about 6 percent of our region's workers the 22 export-oriented industries account for about one-third of the region's industrial employees, that is, nearly six times as much.

Moreover, these exporters are more representative of the industrial diversification into those newer industries which are strongly oriented toward recent scientific and technological developments, although the region's veteran world competitors, such as the machinery and instruments groups, are also strongly represented here.

It is the success of these manufacturers at home and abroad which has helped to close the gap which had opened following World War II between economic growth in New England and the rest of the United States. Although our region's economic growth is not yet up to the national standard the resurgence of competitive capability which in the 1960's has closed the gap from the 33 percent of the mid-fifties down to 10 percent at the present time this competitive resurgence has been due by and large to the national and international growth of this newer breed of industries.

In the near future the Kennedy round tariff reductions which have been contracted for by those countries which are our best customers overseas offer very attractive prospects for our export expansion, especially if our trade policy in discussions of the future can be devoted, as Ambassador Roth and many others have recommended, to the elimination of non-tariff barriers to trade and the elimination of hidden export subsidies on the part of these foreign trading partners.

We see no hope for this kind of progress, however, if the President's negotiating authority is not renewed or if we and our trading partners succumb to the temptation to initiate a self-defeating and retaliation-provoking round of quota legislation.

We are not unmindful of the need for protection and administrative relief of certain producers under certain circumstances. We believe, however, that the combination of the protection of defense-essential industries, the provisions of the antidumping laws if effectively administered, and also the adjustment assistance provisions contained in this and other legislation are sufficient to meet these needs.

But you may reasonably ask, I think, despite the statistics and abstract logic, Is it still reasonable to expect that a small- or medium-sized U.S. manufacturer, of which our region has many, can survive without high tariffs or low quotas when his Italian or Japanese competitor, let us say, pays only one-fifth or one-tenth of the wage rates that he must pay. I believe that I could make a convincing academic case than this is often possible, but the business career of the third member of our delegation, Mr. Chesterton, is actual living proof of this and at this point, therefore, Mr. Chairman, I should like to thank you for this opportunity to speak and yield to Mr. Chesterton.

The CHAIRMAN. All right.