

American citizens, American firms or American corporations having a principal office and place of business within the United States.¹ These include U.S. importers of British products and U.S. firms and individuals concerned with exporting U.S. products to the United Kingdom. The \$350 or more U.S. firms who are members of the Chamber represent a total employment of over three million workers. For some of them trade with the United Kingdom is only a small part of their total business activity, but they all indicate by their membership in the Chamber that it is a part to which they attach importance.

The Chamber has asked me to appear to present its views to this Committee because of the very great importance which its members attach to safeguarding and increasing the flow of trade between the United States and the United Kingdom.² It is our belief that this trade brings about great and substantially equal benefits for both partners. We therefore support the legislation which the Administration has proposed to the Committee. The Chamber also wishes to oppose proposals, which are pending before the Committee, which would have the effect of restricting trade by imposing quotas or other artificial barriers to international trade.

In sum, we believe that international trade, unobstructed by artificial barriers, is in the long-term interest of the U.S. as well as its trading partners. For this reason, we generally support measures designed to promote U.S. exports, such as the Department of Commerce effort for export expansion. Conversely, we would like to see the elimination or reduction of restrictions on imports by the United States and by its trading partners. Trade expansion and not restriction, in our view, offers along with other measures, the best hope for the solution of our current balance of payments problem.

Significance of Trade Between the United States and United Kingdom

Trade between the United States and the United Kingdom has steadily expanded over the last ten years. U.S. exports to the United Kingdom in 1958 amounted to \$905 million and, by 1967, had risen to \$1,960 million. Moreover, over the same ten-year period, imports into the U.S. from the United Kingdom increased from \$864 million worth of goods to \$1,710 million.³ There is no reason why this beneficial trend should not continue and lead to higher level of trade in the future, provided that additional barriers are not imposed.

It is important to note that the United Kingdom is the third largest export market for U.S. products, after Canada and Japan. Our exports to the United Kingdom between 1958 and 1967 have average from 5 to 7 percent of our total exports. The significance of the British market can be more fully appreciated by looking at the figures relating to particular commodities. In 1967, for instance, 18.8 percent of all U.S. exports of tobacco and tobacco manufactures, which totaled \$752 million, went to the United Kingdom. Similarly 12.8 percent of our total exports of unmilled corn or maize, 10.6 percent of our exports of synthetic resins and plastic, 14.1 percent of our exports of office machinery and 11.2 percent of our exports of paper and paperboard went to the United Kingdom. Our present markets in the United Kingdom are thus substantial ones, and the concerned sectors of the U.S. economy are doubtless hoping to expand their export sales in the United Kingdom as the Kennedy Round tariff reductions become effective.

Reciprocally, the United States market is of exceptional importance for the United Kingdom: it is in fact the largest British export market. In 1966 and 1967, over 12 percent of total British exports were to the United States. Access to this market has greatly helped the development of a number of important British industries which could not operate effectively in a market limited to the United Kingdom itself. In evaluating the significance of trade and considering the

¹ A portion of the Chamber's financial support comes from sources within the United Kingdom. The present testimony has been filed with the Department of Justice, Washington, D.C., where there is available for inspection the registration statement of The British-American Chamber of Commerce, 655 Madison Avenue, New York, New York 10021, under 22 U.S.C. Secs. 611-621 as agent of British National Export Council and Confederation of British Industry, in London, The Scottish Council, Development and Industry, in Edinburgh, and The Development Corporation for Wales, in Cardiff. Registration does not imply approval of this material by the United States Government.

² The British-American Chambers of Commerce of the Midwest (Chicago), of the Pacific Southwest (Los Angeles), and of San Francisco wish to be associated with the views expressed in this statement. These three Chambers represent a total of approximately 400 U.S. based firms, in addition to their overseas membership. Total employment of the U.S. based firms is approximately two million.

³ Source: U.S. Department of Commerce, Bureau of the Census; Reports: FT 990, FT 420 and EM 450-55.