U.S. exports, and it ranks as the third best customer in Europe and fifth globally of U.S. foreign trade.

The United States is a nation of some 200 million people. It imported in the same period from the Netherlands, approximately $372 million of goods, ranking seventh in Europe of goods sold to the United States.

The dollar volume of exports versus imports puts the United States in a most favorable trade balance, approximately 3 to 1, which in turn places Holland in the position of being the foremost dollar producing nation in the Common Market as far as the United States is concerned.

One of the concerns in the President's recommendations to the Congress, especially in relation to the proposed Trade Expansion Act of 1968, is the problem of the balance of payments. We support the President's recommendation for a Trade Expansion Act of 1968 because we feel that the balance of payments will be improved on the following basis: That world trade has risen to unprecedented levels since World War II with U.S. exports excxeeding the imports.

Earnings from U.S. investments abroad have been greater than investments placed abroad.

Thus, the basic strength of the private sector is very apparent. It seems fair to say that the problem in government, namely, military and economic, aid is the problem that we are faced with in the imbalance of payments.

Others must be encouraged to a greater role. Other nations must assist in the defense in the free world and in the economic development of developing nations.

Mr. Chairman, we would oppose those proposals presently pending before this committee which restrict trade by imposing quotas or artificial barriers to international trade. We would commend to your committee the excellent editorial which appeared in Friday's New York Times entitled, "Trade Winds in Congress."

One of the statements made which bears repeating states that:

> As the biggest of world traders the United States would have more to lose than gain from an import surcharge because other countries would be certain to retaliate.

The proposed legislation is part of this Government's program to expand international trade. We are increasingly dependent upon foreign markets. Some 4½ million Americans derive their livelihood from foreign trade.

Mr. Chairman, any serious restrictions on the trade activities as presently conducted certainly would affect the employment of these many persons. The chamber is not concerned with the likelihood of retaliation abroad from such restrictions. It does fear that these restrictions imposed by Congress would reduce U.S. exports abroad and the consequent deterioration of the U.S. competitive position abroad.

We feel that this is extremely important. U.S. exports have leveled off and the fear of retaliation to reduce those might further place us in an imbalance. It is for these reasons, Mr. Chairman, that the Netherlands Chamber of Commerce in the United States wholeheartedly supports the President's proposal as contained in the proposed Trade Expansion Act of 1968, and I thank you for the opportunity to appear before you, sir.

(Mr. Clay's prepared statement follows:)