

As this committee probably knows, the United States has had a favorable trade balance with Germany since the resumption of trade after World War II through 1967. We are aware of the situation for the last 3 months, but we believe this is very temporary and will be correctible through the rest of 1968.

We have set forth below some annual trade figures for the years 1950 through 1967. I would like to point out, Mr. Chairman, that these are figures from the German Federal Statistics Office and you will see that the U.S. exports to Germany are generally substantially higher than American figures. The difference is due to two factors, and I believe that the U.S. Department of Commerce is aware of these factors.

One factor is, as I understand it, that our export figures do not include any figure on German purchases of U.S. military equipment. The other factor is the difference, to some degree, in ports in which exports to Germany are brought in.

Apparently a number of exports to Germany are brought into some of the ports in the Netherlands—the Low Countries—and are treated as exports to those countries, whereas in fact they are exports to Germany.

[In millions of dollars]

Year	U.S. exports	U.S. imports	U.S. plus balance
1950.....	413	102	311
1951.....	647	236	411
1952.....	596	249	347
1953.....	395	298	97
1954.....	532	295	237
1955.....	764	388	376
1956.....	952	480	454
1957.....	1,341	524	747
1958.....	999	630	369
1959.....	1,090	639	191
1960.....	1,423	667	536
1961.....	1,516	670	646
1962.....	1,760	965	794
1963.....	1,953	1,051	937
1964.....	2,017	1,197	819
1965.....	2,239	1,436	863
1966.....	2,294	1,795	499
1967.....	2,139	1,966	174
Total 1950-67.....	23,165	14,357	8,808

Source: German Federal Statistics Office.

Even though the United States has had such a favorable balance, the German economy has obviously benefited from this free flow of trade and has not itself sought any substantial change to this balance. However, when this free trade flow began to be threatened with requests from certain industries within the United States for quotas and other forms of protection and when fears were raised that the U.S. balance of trade would suffer in the absence of such restrictions, the chamber sought positive means to assist the United States and concluded that a stringent effort to promote exports would be the best answer. In this connection, it advocated, as did the German Government, the unilateral acceleration by the Common Market of the Kennedy round tariff cuts. As you know, such a proposal has been conditionally approved by the Common Market countries. Moreover, the chamber, itself, felt that it could be of substantial assistance to U.S.