

ments in other countries which will neither be in the interest of American exporters nor of international trade collaboration.

It should not be forgotten that during the Marshal Aid twenty-odd years ago responsible U.S. spokesmen urged the Danish people to work harder and produce more, and more efficiently, in order to take advantage of the U.S. market and thus recover and thereafter be able to stand on their own legs.

Our great country would make a fatal mistake if it scuttles the very recent Kennedy Round agreements which Denmark, among other countries, worked so hard to help make a success.

We urge that your Committee reject the concept of automatic quotas and remain faithful to the principle of free trade as represented by the Kennedy Round which this Committee some years ago authorized. By so doing, you as legislators can do much to maintain the happy trade relations which now exist between Denmark and the United States. By so doing, American agriculture and industry will not have to suffer should Denmark and its European neighbors, through no fault of their own, be forced to withdraw the trading advantages which they have granted U.S. products under the Kennedy Round. The balance of payments problem must, of course, be solved. But we are hiding our heads in the sand if we believe that automatic and indiscriminate limitations on imports can provide a solution. We hope that this Committee and the Congress in its wisdom will find a solution that will not backfire as we are sure the imposition of import quotas would do.

It may be of interest to this Committee to have some facts as to how Scandinavia in the past has contributed to the solution of the balance of payments problem and what plans it has for increasing its contribution toward that problem.

In the 22 years since it began operations to the United States, Scandinavian Airlines, in which Denmark has a substantial investment, has consistently invested more in this country than it has taken out. During that period, SAS has bought or ordered 163 American-built aircraft involving a total cost of approximately 600 million dollars. When its currently contracted for re-equipment cycle is complete in 1971, SAS estimates that it will have spent over \$300,000,000 more here than its projected earnings in America during the same period. This massive contribution to the U.S. balance of payments position includes other multi-million dollar purchases of ground support and electronic data processing equipment; but it does not take account of possible orders to be placed in the next three years for additional U.S.-produced aircraft and electronic items.

At the same time, SAS has been a pioneer in the promotion of tourism from Europe to the United States. This year alone it has expended almost one-quarter of its system advertising and promotional budget to that end. It has joined with the other airlines in offering lower promotional fares for Europeans coming to the United States. SAS is convinced that the result will be a sizable increase in its westbound traffic to America, not only through New York, but through its gateways, such as Los Angeles, Seattle, Chicago and other major coastal and interior cities. This growing traffic from Scandinavia is all the more contributory to the U.S. balance of payments because of the comparatively high average expenditures of Scandinavian tourists.

That's the kind of trading we think it is important to keep alive. The U.S. produces high-performance aircraft and the Scandinavians buy them. The Danes produce high-quality foodstuffs and the Americans pay premium prices for them. That is constructive two-way trade—that is trade as it should be—helpful to both trading nations. But artificial and automatic quotas are not designed to preserve that sort of trade—instead only to curtail it.

Finally, Mr. Chairman, the Danish American Trade Council and its members want the record here to reflect our enthusiastic support for the Administration's proposed Trade Expansion Act of 1968. The President has acted forthrightly and affirmatively in formulating his proposals and we support them. The extension of negotiating authority is as vital as is the enactment of relaxed conditions for providing adjustment relief. We urge this measure be given prompt and wholehearted support by this Committee.

Mr. Chairman, that concludes my statement. I and the experts on Danish meats, cheeses and raw mink furskins who are here with me will be happy to provide any further information we have which could be helpful to the matters this Committee now has under consideration. I thank you for this opportunity to appear before you.