

doubled in value and our contribution to the national trade surplus has more than tripled. As late as 1959 there was still a trade deficit, with imports exceeding exports. Now Washington is responsible for almost a third of all Pacific Coast exports—and still gaining.

Since 1966 the State has been among the top ten exporting states in the United States and also ranks among the top three fastest growing exporters in the nation. Last year our State turned out an over \$2 billion trade performance and produced half a billion dollars in trade surplus for the U.S.A.; one sixth of the national surplus. With no more than one sixtieth of the country's population, our export performance stacks up as ten times the national average on a per capita basis and was realized in primarily "hard" currencies.

The rapid development of containerization, the exciting concept of the sea-land transportation bridge, the burgeoning world need for sophisticated sea/air/land transport and handling systems for both freight and passengers, the streamlining of shipping and travel procedures, the scarcely tapped potential of oceanographic exploration and exploitation, the dire need in much of the world for more food, less spoilage and better nutrition—each of these areas represent a pressing need and an exciting potential. Washington State's increasing stature as a Pacific Northwest and national pacemaker in many of these areas is reflected dramatically in our foreign trade performance, to the benefit of our State, our country and our trading partners. Yet we have really only scratched the surface in filling the need or realizing the potential.

WASHINGTON STATE FOREIGN TRADE: OUR STAKE

Today, foreign trade contributes substantially and increasingly to Washington State's economic growth and prosperity. For instance, we found that Washington State exports contributed a billion dollars in personal income to our economy in 1966, and fully supported the living standard of the equivalent of more than a hundred thousand households. In 1967, obviously, that contribution was even higher, and foreign trade even more important to our well-being.

In fact, we cannot stop now, or even stagnate. Our growth momentum has to be maintained: our stakes are too high. Let's look at two of our better known export products, diverse as they are: airplanes and wheat. Without markets abroad our commercial aerospace industry would be much more cyclical than it is today and certain planes would not be built at all. Without export, where would we sell our Washington wheat? In short, the economies of scale—rather, the lack thereof—would quickly take effect. Supportive and derivative industries and services would be severely affected, even dry up. Much of our standard of living now directly or indirectly paid for from foreign trade revenue and profits would painfully evaporate.

THE NATION: TROUBLED TIMES AHEAD

The year 1967 was a banner year for Washington State foreign trade, and 1968 looks good, so far. (Our exports are still growing twice as fast as our imports.) With the nation, it's another matter. An international dollar crisis was narrowly averted or hastily and temporarily patched up. The dollar outflow continues. Domestic economic growth is distended by inflation. Record GNP advances are only half real. An unrelenting wage-price spiral has negated productivity increases. Inflation and industrial complacency have eroded our export competitiveness and swollen industrial and consumer imports until, today, the national trade surplus is melting away with alarming rapidity. The immediate future appears still cloudy and disturbing. Positive and constructive measures are urgently needed if we are to achieve more than to buy time.

FOREIGN TRADE POLICY: FEDERAL/STATE INTERDEPENDENCE

With the advent of air cargo, all states become "international ports" in the strict sense of the word. However, those states with seaport facilities have a more direct and vital interest in U.S. foreign trade policy and the few seaport states with deep-draft capability and backup land, of which Washington is one, must play an ever bigger role in future foreign trade and policy. Our stake has become such that we as a State can no longer afford to leave the formulation of a national trade policy entirely to our federal government; there, too, we have to be innovators. Our policies have to be as modern and dynamic as the technology of our free enterprise establishment, if we are to maintain our hard-won