It is sufficient to notice here that we do export these products, and the exports increased from $175 million in 1964 to $300 million in 1967, a decent performance, but note that imports increased from $292 million in 1964 to nearly $700 million in 1967.

Our balance-of-trade deficit went from a little over $100 million to nearly $400 million in the space of these 3 years.

In the long-term cotton textile arrangement the GATT countries by agreement without retaliation adopted the principle that because textiles are highly labor-intensive products that were being manufactured predominantly in low-wage countries for export to the developed countries, a system of negotiated import rates for the developed countries was necessary to avoid market disruption and to contribute to the economic betterment of both the exporters and importers.

Please look at table 7 where I show you the labor-intensive ratio of electronic components manufacture compared with cotton broadwoven fabrics, and the average of all manufacturing and apparel.

TABLE 7.—COMPARATIVE LABOR INTENSIVENESS OF ELECTRONIC COMPONENTS MANUFACTURE IN THE UNITED STATES

	Payroll as a percent of—	
	Value of shipments	Value added by manufacture
All manufacturing establishments	22.2	48.7
Cotton broadwoven fabrics, SIC 2211	24.8	61.4
Apparel and related products, SIC 23	25.9	56.3
Electronic components, SIC 367	39.6	62.0
Receiving tubes, SIC 3671	42.6	54.6
Semiconductors,[1] SIC 3674	46.7	66.0
Capacitors,[1] SIC 36792	38.5	56.5
Resistors,[1] SIC 36793	40.5	54.4
Coils, transformers, reactors, and chokes, SIC 36794	39.0	70.1

[1] Establishments with 90 percent or more specialization.

Source: U.S. Department of Commerce, "1963 Census of Manufactures."

You will notice that whereas cotton textiles have a ratio of total payroll cost to value of shipments of 24.8 percent and apparel 25.9 percent, all components on the average had a ratio of labor intensiveness of nearly 40 percent and some of the individual components exceed 40 percent.

We are nearly twice as labor intensive as the average of all manufacturing and vastly more labor intensive than textiles, but notice the difference in the policy of our Government in regard to our industry, which I should remind you does employ nearly 400,000 workers.

For textiles there is a long-term arrangement that provides a system of quotas, and very properly there is widespread interest in the Congress in extending those to other textile articles. The textile mill products and apparel industries were spared deep cuts in the Kennedy round.

Now, gentlemen, every one of our products in the consumer electronic product line and the component line but two were reduced by 50 percent in the Kennedy round, and we are in a situation where the level of our duties is lower for most products than every other nation, including Japan.