

EXHIBIT 1

Our electronic exports have grown in recent years to reach \$1.75 billion in 1967, according to EIA's Marketing Services Department, but the increase has been largely in the military-industrial area. Imports have increased even more rapidly to reach \$806 million in 1967, and these have been heavily in the consumer or home entertainment market. They have been in both consumer equipment and in components. American investments abroad in electronic manufacturing facilities are rising and already amount to several billion dollars.

EIA has cooperated with Government agencies over the years in promoting international trade among Free World nations. In 1964 we were awarded an "E" certificate by the Secretary of Commerce for our efforts in this field.

While it may be too early to determine the full effects of the Kennedy Round it appears, on the basis of information available, that the United States delegation gave more than it received so far as tariffs on electronic products are concerned, especially to the European Economic Community. Continuing non-tariff barriers, added to higher tariffs in both the Common Market and Japan, aggravate the problem of U.S. exporters who strive to increase their exports.

It does seem to us that American trade representatives may not have recognized the opportunities for further expansion of U.S. exports of electronic products and the consequent beneficial effect on our balance of payment. Had the tariff reductions agreed to in Geneva been fully reciprocal, both our industry and our nation would have benefitted.

In the Kennedy Round the U.S. electronics industry entered the negotiations with generally the lowest tariffs, and after, in most instances, a 50 per cent cut of U.S. tariffs we made the greatest concessions and emerged with an even more unbalanced tariff rate structure than we had before.

The following examples are illustrative: