

**STATEMENT OF CHARLES F. ADAMS, CHAIRMAN OF THE BOARD,  
RAYTHEON CO.**

Mr. ADAMS. Thank you, sir. Mr. Chairman and members of the committee, my name is Charles F. Adams. I am chairman of the board of Raytheon Co.

We are a diversified, international, science-based company, employing more than 50,000 persons. Our headquarters is in Lexington, Mass. We operate plants, laboratories and other facilities in that State and also in 12 others—New Hampshire, Indiana, Rhode Island, Oklahoma, Iowa, Pennsylvania, Connecticut, New Jersey, Tennessee, New Mexico, Virginia, and California.

We have subsidiaries and affiliates in many countries abroad including England, Italy, Switzerland, Holland, Canada, West Germany, India, and Japan.

Our sales volume for 1967 was \$1.1 billion, reasonably well balanced between government and commercial marketing activity. At the core of this business volume is our electronics technology, providing for the development, engineering, and manufacturing of components, equipments, and systems.

**IMPOSITION OF QUOTAS ON NAMED COMMODITIES**

I wish to address myself to only one aspect of this hearing on the general subject of trade balance between the United States and foreign nations. I am concerned specifically with proposals relative to the imposition of quotas, either on an across-the-board basis or on named items or commodities.

Where such proposals call for import quotas to be imposed on electronic products and components, as is proposed, for example, in the electronic import bill S. 2539, I wish to register our company's belief that the Congress should not pass such legislation. This belief, I might add, is shaped by many representatives of top management in the electronics industry.

The United States is an exporting nation, not an importing nation. This is made clear in figures issued by the U.S. Department of Commerce, showing that export sales in 1967 were more than \$4 billion higher than imports—\$31 billion in exports, \$26.7 billion in imports.

The introduction of import quotas in the United States on particular products such as electronic commodities and against particular countries abroad, can only lead to retaliatory measures which, in the final analysis, will be more detrimental than helpful to our industry's overall business.

**BALANCE-OF-PAYMENTS DEFICITS**

The import protectionists who seek to establish such quotas are claiming that their action will protect American industry from foreign competition and will so help to reduce the balance-of-payments deficit.

That claim is certainly open to argument. The current deficit in the balance of payments did not result from an export-import relationship but was caused by other factors, such as the cost of military operations in Vietnam, a decrease in business activity in foreign coun-