# PACIFIC TRADE PATTERNS



## HEARINGS

BEFORE THE

## COMMITTEE ON COMMERCE
## UNITED STATES SENATE

EIGHTY-SEVENTH CONGRESS

SECOND SESSION

ON

TRADE PATTERNS IN THE PACIFIC AREA

AUGUST 28 AND 29, 1962

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# PACIFIC TRADE PATTERNS

**TUESDAY, AUGUST 28, 1962**

U.S. SENATE,
COMMITTEE ON COMMERCE,
*Washington, D.C.*

The committee met at 10:10 a.m., in room 5110, New Senate Office Building, the Honorable Clair Engle presiding.

Senator ENGLE. The committee will be in order for the opening of the hearings on Pacific trade matters.

The Chair has a brief opening statement.

I doubt that there is any necessity today to catalog the reasons for increasing our trade with other free world nations. The importance of promoting American exports has been well documented by the administration in support of the Trade Expansion Act. This committee has long been interested in trade expansion, and in the last Congress we conducted a special study leading to an excellent report, entitled "The United States and World Trade."

Though in recent days emphasis has been placed on our future trade relations with an expanded Common Market, this is only a part of the total picture. As I see it, the United States is a bridge between the Atlantic community and the free nations of the Pacific area.

Such tariff reductions as may be achieved in future negotiations between this Nation and the Common Market should also be available to our friends in Asia and the southwest Pacific. The reductions we grant to Europe will likewise apply to those nations with whom we have most-favored-nation clauses in our treaties. Moreover, we will attempt to convince the Common Market to open its doors to the products of other nations.

Our particular attention is given to the Pacific Ocean area where millions of people only recently independent are seeking to improve their way of life. They are no longer content to be "have-nots" in this age of technology, and are searching for opportunities to raise their standard of living. Our aid programs are designed to provide self-help, and by increasing our trade with these nations we can further their cause while benefiting our own economy.

In this same region are other nations already well industrialized. They are now good customers for American products, but they seek new markets for their own output.

We hope to learn from these hearings what has been done in the past in this area to increase the flow of trade, and what more can be done. If new legislation is needed, we want to know what it is.

We are very pleased to have as our leadoff witness the Honorable Averell Harriman, Assistant Secretary of State for Far Eastern Affairs.

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NOTE.—Staff counsel assigned to this hearing, Morris J. Levin.

Governor, it is a great pleasure to have you and your associates here with us to testify on this matter.

Let me say that these hearings are preliminary and exploratory in character. I haven't had an opportunity as yet, Governor, to read your statement, but I would say that we are interested in trying to find out what the present situation is, and what we have available in the way of mechanics to help us improve what I call the Pacific trading community.

I think that there are some problems in connection with the management of this matter which must await completion of negotiations on the Common Market situation, and at a later date we may want to get into certain policy considerations. However, for the present, we would be interested in what we are doing and the mechanics that are available at the present time to help us improve our trade relations in the Pacific area.

I observe that you have a prepared statement, and if you wish you may proceed with it without interruption.

Senator YARBOROUGH. Mr. Chairman, I would like to join in that welcome to Secretary Harriman.

I would say that immediately after World War II, I spent 9 months in Japan, and I have read of Governor Harriman's activities in the Far East. I want to congratulate him on his continuing diligent work to help this Nation and the free world and for his efforts there.

It is a privilege to welcome you here, Governor Harriman.

Senator ENGLE. I appreciate the comments from the Senator from Texas.

## STATEMENT OF W. AVERELL HARRIMAN, ASSISTANT SECRETARY FOR FAR EASTERN AFFAIRS, DEPARTMENT OF STATE; ACCOMPANIED BY PHILIP H. TREZISE, DEPUTY ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS; AND AVERY F. PETERSON, DEPUTY ASSISTANT SECRETARY FOR FAR EASTERN ECONOMIC AFFAIRS.

Mr. HARRIMAN. Senator Engle and Senator Yarborough, it is a great pleasure for me to appear before this committee.

The subject which you have under review, I feel, and we do in the State Department, is of vital importance. We hear a great deal of discussion these days about the Common Market and our relations with the Common Market when, in fact, the opportunities for trade in the long-range future can be vastly increased in the Pacific, although it may take a little bit longer.

I have here a statement which is rather long and if you agree, sir, I would be very glad to brief it rather than to read it in its total unless you prefer me to read it. It is distributed to the members of the committee.

Senator ENGLE. Without objection the statement will be made a part of the record as if read and you may summarize it.

(The statement follows:)

## Statement of Hon. W. Averell Harriman, Assistant Secretary of State for Far Eastern Affairs

### TRADE PATTERNS IN THE PACIFIC

Mr. Chairman and members of the Senate Committee on Commerce, your invitation for my participation in these exploratory initial hearings regarding present trade patterns in the Pacific area is one which I welcome. While I was Secretary of Commerce I participated in the stimulation of our foreign trade which provides the cadence and tone of our economic life. We all know of the great interest of the American people in the benefits which flow from international exchange—jobs, markets, materials, and breadth of taste and cultural satisfaction—all of which would be greatly restricted if foreign trade should wither. I have some first-hand knowledge, from experience in the economic recovery of Europe, of the importance of economic and industrial development as the wellspring of vigorous and growing foreign trade. And further I sense that, additional to the vistas seen across the North Atlantic in trade opportunities with the European Common Market as its internal barriers are lowered and as integrated growth augments its production and purchasing power, there is growing in the western part of our country a keen interest in the scale and potential of trade westward with peoples of countries located around the vast Pacific basin. I think this understanding of the people of our West that in their Pacific backyard there is a tremendous potential for trade which will be a dominant factor in the pace of growth of their own industry, commerce, port activity, and shipping is entirely correct.

A basic reason for this is the vast dimensions of the Pacific area in terms of number of people, size and diversity of their countries, and, most importantly, their relative lag in achieving a standard of life and a pace of production in some better relationship to that enjoyed by the more developed countries. In our world of shrunken distances and instant communication, the peoples of the Pacific know that the continuation of their relative poverty is not necessary. They demand an improvement in their lot and their prospects and, as this is reflected in rising production and purchasing power, the effect of even small gains on the part of so many peoples will yield as a product a tremendously expanded flow of commercial exchanges among the Pacific countries.

Let us examine the 16 countries and 3 island communities—Ryukyus, Hong Kong, and Singapore—which make up the Pacific-Indian Ocean area lying west of the international date line and east of Aden. We find there a total of nearly 900 million people living in an area about three-quarters larger than the United States, with populations growing about one-third faster than our own. Their average per capita gross national product is a mere $144, only 5 percent of that of the United States. When we examine present levels of international trade on a comparative basis we find that their per capita exports averaged $15.13 in 1960 or about 13 percent of U.S. per capita exports. Other measures of the need for growth in the area include installed electric power, less than 5 percent of the per capita installation in the United States; literacy, an index of the use of human resources, less than half of our own; and life expectancy 43 years on the average, as compared to our own 70 years.

One main conclusion is inescapable: that, while a few of the relatively developed countries such as Australia, New Zealand, Japan, Malaya and such entrepôt communities as Singapore and Hong Kong have rather advanced economic bases and correspondingly high levels of external trade, they are the exceptions in the area. Most of the Pacific-Indian Ocean countries—several with vast populations—will start their development and industrialization from an exceedingly low base and the advance from that base, even if modest and relatively slow, will have a profound impact on commerce.

As great attention has been directed—and properly so—to the European Common Market which, with Britain's prospective entry, provides the exciting prospect of a freely trading, rapidly developing economic community comparable or even exceeding the dimensions of our own internal market, it may be appropriate to attempt a few generalized comparisons of the Atlantic and Pacific communities. The Common Market with Britain will have a population of 221.7 million as compared to the United States with 183.6 and 896.4 in the Pacific area. The Common Market plus Britain in 1960 took some $1,600 million of our agricultural exports whereas the Pacific area took $1,460 million of our agricultural exports of which over one-half were Government-financed disposals. The per capita exports of the Common Market plus Britain is $180, that of the United States is $113, and the Pacific area $15. The range of per capita gross national product in the Common Market is from $560 (Italy) to $1,250 (Belgium) as compared to much lower levels in the Pacific (excluding Australia and New Zealand), namely, a range from $60–70 in southeast Asian countries such as Indonesia to $450 for Japan.

Statistical comparisons are obviously not wholly valid when made between agrarian, newly sovereign countries wherein economies are not fully monetized, and those of highly developed industrial and financial communities. However, there is sufficient basis of comparison to reach the conclusion that the present disbalance is not good either for the "haves" or the "have-nots." There is need for assurance that proportionately rapid progress is being made in the lesser developed countries which will permit some satisfaction of human wants in communities which increasingly realize that they were not foredoomed to a short life of privation. The assuaging of these modest appetites by economic measures consistent with free institutions and without impinging upon man's imperishable human dignity is a noble goal. But it will not be reached without drawing in full measure upon our wisdom and the exercise of perseverance. That is why, in my judgment, it is essential for us and the other free nations of the world to persevere in carrying forward our aid and economic development efforts in this part of the world. I shall tomorrow appear before another committee of the Senate to support AID's appropriation request for development loans, grants, and supporting assistance in the Pacific area in a range of $1,300 to $1,400 million for the coming fiscal year. And I would hope that your own attitude when the AID appropriation comes to the floor of the Senate will take into account the fact that economic development and foreign trade are intimately related and that the initial provision of aid in the form of goods from our factories, farms and mines and by way of services from our laboratories and institutions eventually will enlarge our trade. Since the preponderant share of aid appropriations are programed in the Pacific-Indian Ocean areas it follows that it is the trade of that same region which will receive the greatest stimulation from the provision of resources from the outside as financed under aid appropriations. I should add parenthetically that the United States is not alone in this critically important endeavor to stimulate economic development and its multiplier effect upon trade. The task is of such magnitude and of such widespread concern to the free world that it exceeds the capacity of any single nation and has become and should increasingly be a multilateral affair. I need only to call to mind the consortium approach to the Indus waters undertaking as a manifestation of one multilateral approach. Another approach will be evident in support from international entities such as the World Bank, the International Development Agency, the U.N. Special Fund and the Economic Commission for Asia and the Far East. Recently there has been formed among the more industrialized countries of Europe, North America, and Japan a Development Committee of the Organization for Economic Cooperation and Development which provides coordination of joint economic development efforts in parts of the world which need to catch up. The United States has been firmly convinced that Japan, as one of the world's largest industrial complexes, and with skills and interests of immediate value in the Pacific Basin, is and will make a substantial contribution in the part of the world we are examining.

Thus far in my review of trade in the Pacific area I have avoided undue use of statistics of which there are an abundance as is only natural, given the number of countries and trading entities involved. It is now necessary, however, to refer to the statistical facts which I present to you as visual aids which can, if desired, be incorporated in the record. I refer to table 1, trade of principal countries in the Pacific area, which provides for Pacific area countries a comparison of 1955 and 1960 exports and imports both within the area generally and with the United States. Table 2 gives U.S. trade and economic aid data on a country, subarea and Pacific area basis, 1955 in relation to 1960 and 1961. Table 3 provides west coast port activity for these same years. Tables 4 and 5 provide figures for the principal commodities we imported and exported from the Pacific area, and table 6 provides some fundamental economic indicators, averages of which I mentioned earlier. With these data before us, some main conclusions may be drawn:

1. Trade in the Pacific area has expanded markedly, and the United States has enjoyed an increasing share in this trade. Between 1955 and 1960 imports of the Pacific area countries rose by 40 percent. Their purchases from the United States rose by 66 percent. As a result, the share of the Pacific area market enjoyed by the United States rose from 19 to 22 percent (table 1).

2. These favorable trends result in the main from normal commercial trends and not from increases in U.S. exports financed by U.S. economic aid (table 2).

Between 1955 and 1960, U.S. exports to the Pacific area increased by $1.6 billion, while net U.S. economic aid expenditures in the area rose by only $0.6 billion.

3. These favorable trends continued on the whole in 1961. U.S. exports rose by 9½ percent over the previous year, while net economic aid was showing some decline, from $1.5 to $1.3 billion.

4. The U.S. trade balance with certain countries of the area, Japan and Australia, is exceptionally favorable, and makes a substantial contribution to U.S. net earnings on trade account worldwide. In 1961 Japan bought from the United States $685 million more goods than it sold here, and Australia bought $135 million more from us than it sold.

5. In 1955 our exports to the area were $2.052 billion or about 15 percent of our total exports. By 1961 these exports had grown by 94 percent to $3.976 billion and accounted for 21 percent of our total foreign sales. Our imports in turn grew by 46 percent from $1.756 billion (or 15 percent of total imports) to $2.564 billion (or more than 17 percent of total imports). In recent years the United States has consistently maintained a favorable balance of trade with the area and in 1961 our exports exceeded imports by $1.4 billion—an amount equal to about one-third of our total favorable balance of trade (table 2).

6. Pacific Coast port activity as reflected in the volume of waterborne imports and exports increased by 83 percent between 1955 and 1961, with import volumes showing proportionately greater increase (table 3).

7. A very substantial portion of Pacific area trade takes place between the countries of the area—that is, intraregional trade is important. In 1960 32½ percent of the exports of countries in the area went to other countries in the area, and some 29 percent of the area's imports were purchased from countries within the area. In large part this situation is due to the complementariness of Japan's trade with that of the less developed countries of the region. Among trading partners outside the area, the United States has held a prominent place, and, as trade of the Pacific area has expanded, the United States has enjoyed an increasing share, namely an advance from 19 percent to 22 percent (table 1).

*Impediments to trade expansion*

Although a review of Pacific area trade contains much of encouragement, and reveals a tremendous potential expansion, it is clear that impediments to growth exist and need examination. The impediment causing the chief restriction on trade is the low base and inadequate rate of economic development of the area, aside from Australia, New Zealand, and Japan. The need in Asia for economic development is a primary challenge to us in our economic relations and this in turn is a critical part of the political contest in the countries which are located around the Sino-Soviet heartland of Asia. The desire for modernization and industrialization is active and intense among these underdeveloped nations. They would prefer to develop in freedom with open societies but if this seems not possible they might be tempted to try regimented methods. The Communists know this and are exploiting every possible means to subvert and subjugate the the free countries of Asia. By providing long-term assistance for the lesser developed nations the United States and other industrialized countries, can, over the coming decade, act decisively in helping economic development and growth, thus to preserve the independence of peoples whose well-being and freedom are important to us. Concurrently, economic development will stimulate and expand trade with benefits to ourselves as well as other participants.

The dismantling of exchange controls, quantitative restrictions and prohibitions which has characterized European action in the last decade has been only more recently—and less completely—followed in the Pacific area. These Asian countries were never as interdependent or unified to the extent of those of Western Europe, having developed in many cases as colonial appendages with relatively little cross-border trade or traffic. Convertibility of currencies for current transactions was relatively limited as compared to European conditions, but in the case of major trading nations has been achieved in the last few years, other than for capital movement.

By successive measures to relax restrictions which Australia has taken since the beginning of 1959, about 90 percent of imports are now exempt from any licensing requirements. The recent exemptions of motor vehicles and their components of dollar origin from licensing controls represented removal by Australia of the last discrimination against dollar goods. Malaya, which had removed most restrictions on dollar goods in 1959, removed the remaining import restrictions during 1960. With the exception of a few items which are restricted for health or security purposes, all commodities may be freely imported into Malaya, foreign exchange being available for payments. India relaxed quotas on certain goods to provide a continuing supply of essential requirements for industry but concurrently cut back imports of consumer goods. Pakistan liberalized imports by increasing quotas and transferring many items to the automatic licensing category.

With the widespread dismantling of import controls that has taken place in Europe in the past few years, Japan stands out as the only major industrial country with an extensive system of restriction on trade. It will, however, have removed quantitative controls over 90 percent of imports by this coming October. The Philippines in January initiated a decontrol program designed to free the economy of foreign exchange and import controls. Thailand abolished the remaining exchange controls although individual import licensing requirements remain on about 70 percent of goods which are regarded as competitive with domestic production. Imports into Cambodia are regulated by licensing and an exchange allocation system, coupled with bilateral trade pacts.

Burma's import licensing policy continues to be highly restrictive with a view of conserving foreign exchange resources and implementing certain economic and industrial policies of the Burmese Government. Goods other than Government acquired or on a limited open general license require specific import licenses. Ceylon's import control system provides for the admittance of imports under open general license, general import license, individual license, and state trading. In Indonesia imports are under strict control and may be effected only by officially recognized importers. All commercial imports require combined import-exchange permits. Although Indonesia's licensing controls do not provide for formal discrimination, license applications are administratively screened with a view toward fulfilling bilateral trade agreement aims and toward limiting the overall expenditure of foreign exchange. All imports into New Zealand except a small number of items specifically exempted require import licenses, it being Government policy to liberalize or remove control when the balance-of-payments situation permits. In the case of China (Taiwan) the Government finds it necessary for balance-of-payments reasons to control the acquisition and use of foreign exchange and to follow a selective import policy. Korea, concerned with a balance-of-payments problem, exercises similar strict import controls.

Additional to underdevelopment and the related need for import and exchange controls, the relatively great dependence of many Pacific area countries upon one or two commodities for their export earnings makes their trading position vulnerable to disruptive shifts in prices. In economic relationships between countries and regions in different stages of economic growth, variations may take place in the so-called terms of trade which means the relative trend in the cost of the things a country sells and those that it buys. Shifts in these value relationships can cause sudden loss of purchasing power and corresponding, though more disguised windfall gains. All too often in the past the more advanced industrial countries, including the United States, having themselves great diversity in their sources of income, have thoughtlessly allowed abrupt shifts and gyrations to take place in prices of commodities which were of controlling importance to the economies of less developed or newly emergent nations. There was insufficient attention given to repercussions which in the nations of advanced industries meant only a small adjustment in the cost of one of several materials for manufacture, but could mean disaster for supplying countries.

The United States has had some experience in primary commodity marketing and price support arrangements which, I am sure will be understood as reason for caution in addressing ourselves to such problems in international dimensions. Despite these hazards, however, the United States is prepared to move forward on this front and as evidence I quote President Kennedy:

"The United States is ready to cooperate in serious, case-by-case examinations of commodity problems. Frequent violent changes in commodity prices seriously injure the economies of many nations—draining their resources, and stultifying their growth. Together we must find practical methods of bringing an end to this pattern."

In this endeavor, however, care will be required to avoid putting a straitjacket on economic structures. Change and growth are the essentials of life and are to be resisted only at grave peril. In the United States, for example, it would have been foolish to resist the revolution in methods, materials, and equipment which has taken place in American agriculture in the postwar period. True, this required new skills and new employment for one-third of the people formerly on the farm, but this proved possible of accomplishment and the end result is a highly effective and efficient sector of our economy.

While the paramount challenge in Asia is to meet the demand for economic development, there also exists in that part of the globe one of the most highly developed and rapidly growing manufacturing complexes of the world—Japan, now fourth among free world industrial powers. The wise arrangement of our bilateral economic relationships, as well as our joint undertakings, calls for a high order of statesmanship.

Japan is a trading partner of the United States second only to Canada. This fact, plus our mutual status as relatively advanced industrial nations, requires us to collaborate in meeting the challenge of Asia's rising expectations and to arrange our bilateral affairs so that strengths needed in the years ahead be not dissipated.

To me, Japan stands as an example of the sort of development based upon trade which could be a goal for other Asian nations as their human and material resources are developed and integrated along modern industrial lines. We have witnessed economic development through the Marshall plan beyond anyone's expectations. We find that Japan has performed in Asia a miracle as striking as that which has occurred in Europe. We gave Japan assistance in the immediate postwar years primarily in the form of emergency relief supplies. Later, on the basis of its own efforts and relying on trade rather than aid, Japan mobilized its resources and achieved unprecedented economic success. Over the past decade, Japan has averaged more than a 9-percent increase in its annual rate of economic growth. It is now embarked on a plan, within the context of the democratic principles and the free enterprise system which has made its present achievements possible, of doubling the national income within the next 10 years.

Today Japan is the largest importer of American agricultural products in the world, and for all goods is our second largest single customer. As Japan's economy has grown, so has our trade with Japan. Our export sales to Japan have risen from $600 million in 1955 to $1.7 billion in 1961. And Japan buys more from the United States, more than she sells to us. During the last 5 years the United States sold to Japan some $1.7 billion more merchandise than we bought from Japan. This example, along with our trade experience with Canada, proves again that our exports grow as other countries expand their industrial production.

One of the demonstrated failures of communism—inability of the system to provide food for the people—is plain to see in both the Soviet Union and Communist China. Khrushchev boasts that he will overtake us this year in meat and butter output, then later calls a meeting to examine causes of the poor agricultural yield, and winds up by increasing prices to the extent that butter costs almost $2 a pound.

In Communist China food production has been a disastrous failure and the commune system has collapsed, not simply because of bad weather but because of communism's failure to understand that agricultural production must be based on incentives to free men. All countries which have adhered to Communist methods have failed in the production of adequate food, Poland and Yugoslavia being the only partial exceptions because they deviated from dogma.

Last May over 60,000 Chinese people fled across the border from the so-called People's China to Hong Kong. Thousands of Chinese farmers and displaced city workers in a mass exodus were seeking a better life. They were fed up with a regime that has failed in its primary responsibility of providing for even the minimum needs of its people. The collapse of the shrilly heralded "Great Leap Forward" finds industrial development ground to a halt and per capita output of food lower than the 1950 level, and—despite grain purchases of 6 million tons of grain purchases from abroad, a food ration below human energy requirements for a day's work.

In contrast Japan—and also the Republic of China—have done remarkably well under an effective land reform program which we stimulated and which practically eliminated tenancy. The Japanese have increased agricultural production by almost 50 percent over the 1952–54 average. In Taiwan, people with the same energy and skill as those on the mainland, working in freedom have achieved a 55 percent increase in agricultural production in the last decade. Under the land reform program 86 percent of the farmers on Taiwan own their own land.

*Additional trade legislation*

One point mentioned in the chairman's calling of this hearing concerned the question of the need for additional legislation to increase trade within the Pacific area. The question immediately brings to mind the President's Trade Expansion Act, its fundamental concepts and principles under which it will be given effect. I have no hesitancy in stating my convictions that the President's trade bill is the most important legislation required. Although several of the provisions of the bill, and explanations of their intended use are in connection with negotiations to reduce the external tariff of the common market, the continued application of the most-favored-nation principle, and other provisions of the bill will provide a stimulus for trade expansion in the Pacific area.

The trade bill now pending before the Congress is built on the fundamental concept that the United States and the rest of the free world stand to gain from the expansion of international trade on a mutually advantageous basis. Throughout its provisions for granting broad new tariff negotiating authority to the President, the trade bill H.R. 11970, is characterized by a flexible approach. It is designed to make it possible to negotiate initially on a broad basis for the trade opportunities we need in the European Common Market. It will also, however, make possible tariff negotiations with others of our trading partners on every continent. It will help us to make a beginning at solving the vital trade problems of the less developed countries of Asia and other areas of the world.

The trade bill contains provisions specifically designed to help provide better trade opportunities for exports of less developed countries, including those of the Pacific. First, there is a provision whereby the President would be authorized to eliminate the duty on any tropical agricultural or forestry product not produced in significant quantities in the United States, provided the European Economic Community makes provisions for comparable access of that product to its territory on a substantially nondiscriminatory basis. This provision is directed to the problem of some of the less developed countries, which would otherwise have less favored treatment in European Community markets than African countries with a recent history of attachment to Western European countries. Also of significance to the less developed countries is the provision authorizing the elimination in trade agreements of tariffs on articles dutiable at 5 percent or less. Among the articles dutiable at these low rates are numerous crude or semiprocessed goods which are characteristic export products of less developed countries.

While H.R. 11970 lays the basis for a new trade program geared to the realities of the mid-1960's, it maintains intact the basic principles on which the trade agreements program has been based since its inception in 1934. The cornerstone of this program through the years has been the principle of most-favored-nation treatment under which we extend to other countries of the free world any tariff benefits we extend to any country. As a leader in the promotion of this principle of most-favored-nation treatment, we have exchanged most-favored-nation commitments with 75 countries in the General Agreement on Tariffs and Trade, in bilateral trade agreements, and in treaties of friendship, commerce, and navigation.

It is essential that we continue to adhere to this principle and to maintain our leadership in promoting its adoption in world trade. This is of particular interest to us in our efforts to open up the widest possible markets for countries of the Far Eastern area. These characteristically low-wage areas frequently find their export opportunities in the industrialized countries hampered by special restrictions not generally applicable to imports from other countries. To the extent that we can prevail upon countries to admit Asian goods on the basis of equality, the competitive impact will be spread throughout the free world as a whole.

We are especially concerned that Japan should obtain nondiscriminatory access to the growing market of the European Economic Community. We are hopeful that the countries of the Community can be prevailed upon to grant full most-favored-nation commitment to Japan and thus to agree to give full tariff equality to Japanese imports. If we should refrain from giving Japan full equality of treatment, other free world countries including the European Community would be sure to do the same. In our own interest we must continue our effort to obtain fully nondiscriminatory treatment for Japan. To succeed in this effort we must necessarily follow the course of action we are attempting to persuade others to follow.

## TRADE PROMOTION

I want to emphasize that we strongly support the need for promoting U.S. export trade in the markets, actual and potential, of the Far East and south Asia. The Department of Commerce will provide you with the details of our export promotion program but I can assure you that the Department of State not only supports the program but participates actively in it.

This committee is familiar with our agreement with Commerce to strengthen commercial services at our missions abroad. This agreement has many advantages: it provides the framework for developing commercial specialists and hence, the professional expertise that this committee has fostered. At the same time, it retains the economic and commercial operations abroad within a single service—an advantage especially important in the Far East where government-to-government negotiations regarding access to markets play a vital role in any successful trade promotion effort. Under this agreement, we in State and Commerce are working closely to improve the quality of our resources to help American businessmen seeking foreign sales outlets. There has been set up a Trade Center in Thailand and we intend to place one in Tokyo as well.

I know that some people have felt that the Department of State has not been concerned about commercial work and trade promotion. If this ever were the case, it is certainly not so today.

Secretary Rusk and Under Secretary Ball have made it clear to the Department in Washington and to the missions in the field that the promotion of American commerce is a priority task for everybody. We have told our Ambassadors that they are expected personally to support the export drive and to be alert to trade opportunities of which the most important often become known more readily to the Ambassador than to anyone else. The Secretary's wish is that the full prestige and capabilities of our missions in the field be committed to expanding American trade and I believe that this committee can count on this being done.

### PROTECTION OF TRADE AND INVESTMENT

Among the steps that the Department of State has taken in the Far East to provide dependable bases for our economic relations with the countries in that area, to promote private U.S. investment for economic development, to provide assurances of fair treatment for U.S. citizens, their enterprises, property, and interests, and to encourage foreign trade, has been the negotiation of treaties of friendship, commerce, and navigation. We now have comprehensive modern treaties of this type with the Republic of China, Japan, Korea, and Vietnam. An older treaty with a number of very useful provisions is in force with Thailand, and we now have under consideration its replacement with a new treaty better adapted to existing conditions. Although no general treaty of commerce has been concluded with the Philippines, provisions of the trade agreement with that country contain certain clear assurances of favorable treatment for U.S. investments and trading activities. These treaty and trade-agreement provisions are, of course, in mutual terms, giving equivalent assurances to nationals and enterprises of Far East countries in the United States.

The Department seeks to obtain in its commercial treaties certain basic commitments, including (*a*) the best assurances practicable with respect to an open door for U.S. industrial and commercial enterprises, (*b*) unequivocal assurances of treatment of American undertakings as favorable as that accorded to similar domestic or other alien undertakings, (*c*) reasonable facilities for the withdrawal of earnings of American enterprises and the transfer of capital, (*d*) just compensation in the case of expropriation of American property, (*e*) most-favored-nation treatment for importation of U.S. products, (*f*) as favorable treatment for U.S. shipping as that accorded to national or other foreign shipping, and (*g*) adjudication of any dispute arising under the treaty by the International Court of Justice.

### STRATEGIC TRADE CONTROLS IN THE FAR EAST

The proportion of Pacific area countries' trade with the Sino-Soviet bloc continues at low levels. In 1961 imports from the bloc by countries in the ECAFE region (exclusive of Australia, New Zealand, and Iran) were 5.1 percent of their total imports. Exports in 1961 from these countries to the bloc were 3.8 percent of their total exports. Table 7 provides a comparative table, 1955, 1960, and 1961 of trade of individual countries with the Sino-Soviet world. Bloc trade with Japan increased as the U.S.S.R. bought Japanese capital equipment in even larger volume, selling in return even greater values of such commodities as petroleum. Exchanges between Japan and Communist China foundered in 1959 when Communist China made continued trade contingent upon political unacceptable concessions.

Malaya-Singapore trade with the bloc has been stimulated by a rising demand for rubber, as well as a shift in purchasing from London to Asian brokers.

Australian exports to the bloc consist largely of shipments of grains to Communist China. These accounted for more than $150 million during 1961, compared to zero in 1955.

Burmese rice shipments to the bloc, its major export item, have fluctuated greatly from one year to the next. They were relatively high in 1961 primarily because Communist China was able to make rice purchases on reasonably favorable credit terms. Much of the rice being purchased by Communist China, has been going to Cuba.

STRATEGIC TRADE CONTROLS IN THE FAR EAST

Bloc trade with Asia, and particularly the important portion with Japan remains subject to strategic controls in the case of Japan and Commonwealth countries and in the case of Communist China is embargoed by three countries, Korea, the Philippines, and the Republic of China. Strategic trade controls are exercised by 15 countries participating in the Consultative Group and its two committees, COCOM (the Coordinating Committee) and CHINCOM (the China Committee), which latter up to early 1957 applied more stringent restraints over trade with Communist China, North Korea, and North Vietnam, restrictions which the United States continues on a differential basis as compared to the European bloc. Japan, a member of the control committees since 1952, embargoes strategic goods to the Sino-Soviet bloc and utilizes internationally agreed procedures to prevent the diversion of Japanese-origin goods to the bloc. Japan also prohibits the use of Japanese ships to carry strategic goods from any country to Communist China or North Korea.

DESTINATION CONTROL OF U.S. GOODS

The United States embargoes all exports to Communist China, North Korea, and North Vietnam. Furthermore, the United States prohibits all financial transactions with the first two of those countries, including imports of any goods originating in those countries. The problem of preventing unauthorized transshipments of U.S.-origin goods to the Far Eastern Communist countries has not been a general one throughout the area, other than at some entrepot points, since three countries also embargo mainland China trade and Japanese importers respect U.S. export control requirements.

RECAPITULATION

In this review of trade in the Pacific area and its tremendous potential, I have sought to emphasize that the economic advancement of the nearly 900 million people of the area and the development of their human and material resources will be the determining factor in the question of trade development. This, in turn, is in part dependent on the question of whether this Nation and others who in freedom have achieved a measure of economic development will persevere in their provision of the resources from outside the area which are needed to stimulate the growth of trade in the Pacific. Since competition exists between our concepts and Communist concepts of the means by which economic development is best achieved, the issue is one part of the ideological conflict. The peoples of the Pacific are determined to develop and improve their economic position. If they do not achieve their objective in condition of freedom and under principles in which we believe, they may fall prey to Communist propaganda and subversion and ultimately under control of our adversary. On the contrary, if, as I hope and expect, they do develop and their trade does expand, U.S. interests in the welfare of the Pacific area peoples will be served. History has shown that as other countries prosper, so do we, and accordingly a strong element of self-interest attaches to our desire for stability and prosperity in the Pacific region.

Mr. Harriman. There are some charts which we have here which I would also like to make part of the record. Some of the information I will touch on and we can use them in answer to questions if you oı members of the committee wish to do so.

In the first place, I would like to speak about the trade patterns in the Pacific and what our prospects are for the increase of exports.

As perhaps you remember, I was Secretary of Commerce and we were engaged in the stimulation of American trade at that time and we tried to bring home to the American people the importance of trade in terms of jobs, markets, and so forth. Also, I was involved in the Marhsall plan and I saw the enormous value to us of the expansion which was achieved under the Marshall plan. The expansion of those countries which were participants has gone forward far more rapidly, and beyond anyone's fondest dreams, than those that proposed it originally in 1947 and 1948.

Now the people in the Atlantic, I think, understand the importance of our trade with Europe, whereas the people in the West, as you do, sir, understand the opportunities for trade in the Pacific.

Senator YARBOROUGH. Governor, may I say there that we on the gulf coast understand some of those opportunities in the Pacific, too, as we see those steamers from Japan load up with cotton and other raw materials which they take home to manufacture.

Mr. HARRIMAN. I may say, sir, between Texas and California, they are the two leading States in exports to Japan.

Senator YARBOROUGH. I didn't know the relative standing of my own State, but I have seen many ships loading out there.

Mr. HARRIMAN. In deference to the Chairman, I won't say which is the largest.

Senator ENGLE. Whatever the exports are on cotton, we claim to be first in total exports.

Mr. HARRIMAN. Whatever it is, there is a variety of exports that come from each State, of course. You in California have a very large export in aircraft which leads to employment.

Of course, I have special respect, Mr. Chairman, for California, because I think it is going to be this year that California takes the lead over New York in population, so we will have to have even greater respect for California than we have had before.

But in all seriousness I do believe that the people of the west coast, and I include Texas in that, the gulf coast, understand the potential of our markets in the Pacific. I will explain perhaps in some detail what the opportunities are.

Now, the area which is generally considered the Pacific includes starting with Korea and Japan and swinging around to India and Pakistan. That population is approximately 900 million—I am not including mainland China in any of my figures for obvious reasons—and the population growth is substantially greater than ours, perhaps a third faster.

Unhappily the per capita income is only 5 percent of ours, about $144 on the average, and that varies from the more prosperous; Japan, $450 per capita, to $60 for some of the less fortunate countries.

Senator YARBOROUGH. Pardon me, Mr. Secretary, which of those fall as low as $60?

Mr. HARRIMAN. Well, they are the countries in southeast Asia, I think from $60 to $100 would include Indonesia, Vietnam, Cambodia, Thialand, Laos, and so forth. It is a general area of southeast Asia.

India has increased to somewhat over $80. I think one of the charts shows—if you are interested, sir—of course, countries like Australia and New Zealand have per capita gross national product similar to those of Europe; in fact, up to the top of Europe. Australia is $1,500 and it compares to Sweden which is the highest in Europe, of about the same figure, and New Zealand is also $1,500, even slightly higher, $1,545. Then you drop to Japan, $450; then the port countries—Hong Kong and Singapore are high because of the concentration on industrial industry and trade, are around $345, Singapore $411.

The most prosperous of the countries are Malaya with $285 and that drops down to countries such as Burma with $56; Laos, $60; Korea, $65; Pakistan, $69; India, $81, I'm glad to say; Thailand, $96; Vietnam, $86.

Those are the figures that are shown here.

But when you compare that to ours, which is close to $3,000, it shows how relatively small. On the other hand, it is interesting that Japan in recent years has increased her gross national product very rapidly and her per capita standard comes very close to that of some of the southern European countries.

For example, Italy is $560.

Now, in terms of exports per capita, it is only $15 at the present time whereas our exports are $116 per capita, and in the Common Market countries of Europe which we have made a comparison, Mr. Chairman, there are $180.

Now, of course, in this area the general economic life is much lower than ours; they have only 5 percent of the power that we have; the literacy rate is only half of ours, and the life expectancy is only 43 years as compared to ours of about 70 years.

So, most of the Pacific countries start from a low base and their growth means an expansion of trade.

I would like to point out—make certain comparisons, if I may, with the Common Market.

The population of this area I am speaking of is 900 million, compared with the Common Market population, if we include the United Kingdom, of 221 million. Ours, of course, is 183 million.

Our agricultural exports to the Common Market are $1.6 billion, whereas to this area they are $1.4 billion, so we speak a great deal about the potential exports of the Common Market and as it is running today our exports to this area are almost as great. Because half of the exports to this area are under Public Law 480——

Senator ENGLE. The $1.6 billion is not limited to agriculture?

Mr. HARRIMAN. No, this is U.S. agricultural exports to the Common Market. Our total exports to the Common Market last year were over $3.5 billion, but the agricultural exports to the Common Market were $1.6 billion.

Senator YARBOROUGH. Mr. Secretary, what percentage of our total exports went to the Common Market last year? You gave us over $3 billion exports to the Common Market. What were our total exports to all the countries?

Mr. HARRIMAN. Our total exports to the Common Market were $3.5 billion.

Senator YARBOROUGH. What was the total?

Mr. HARRIMAN. The total U.S. exports, over $20 billion.

Senator YARBOROUGH. And $3.5 billion of that to the Common Market?

Mr. HARRIMAN. $3.5 billion, and in the area we are speaking about it was nearly $3 billion of total exports, so that already—we have to recognize at the present time part of our exports to this Pacific area are stimulated by our aid programs and the Public Law 480. Last year I think our total economic aid was about $1.3 billion, and half of these agricultural exports were exported under Public Law 480. But it does indicate the needs of the area and the fact—I will come to some figures about Japan in a minute which indicates so clearly that as countries become industrialized our exports grow.

I might state it now, as a matter of fact, if you will agree, our exports to Japan were $600 million in 1955 and last year they were $1.7 billion. There was an increase of almost threefold during this period of rapid expansion of Japan and it proves again that our exports grow very rapidly as countries become increasingly industrialized. We have that experience with Canada and it belies the fears that certain people have that if we help industrialize other countries they compete with us. It is just the reverse; they create—as their prosperity increases from industrialization, their demand for goods from the United States increases very, very rapidly.

Now, I want to state here that our aid as a vital factor in helping these countries to expand their economy and help them not only to become more prosperous for the people of their own countries but also will mean increased prosperity to our own people.

I am going to testify tomorrow before the Senate committee on the foreign aid appropriation, and I am going to point out as strongly as I can the importance to our own prosperity, expanding prosperity of aid programs.

At the present time, of course, most of our aid goes to this area that we speak of.

We are very fortunate in that other countries are beginning to be of very real assistance in the aid to the underdeveloped countries. The European countries as well as Japan are giving assistance and the international organization which is the World Bank who are selling some of their securities in other countries than the United States, and in general cooperation in such developments as India's water, they are beginning to play an important role. And that is a very important dividend that we have from the success of the Marshall plan.

Just to review for a moment the trade statistics—and I don't want to burden you with too many, Mr. Chairman—but between 1955 and 1960 the total Pacific trade with all areas increased 40 percent.

The purchases from the United States went up 66 percent. Now this indicates that our trade is increasing out of proportion with the other trade. Part of this increase came from increased aid but not all of it, and the increase was substantially greater, almost perhaps three times as much as our aid, and, in fact, last year our aid was reduced and yet our exports to this area increased 9.5 percent, so that aid does have a continuing stimulus.

In total figures, from 1951 to 1961 our exports were $2 billion in the first year, 1955, for 15 percent of the total, whereas in 1961 it was $3,976 million, almost $4 billion, or 21 percent of the total.

You may be interested, sir, that the Pacific port activity increased 83 percent during those 6-year periods. I am afraid I didn't include—I am sorry, Senator—the gulf ports, but, of course, they shared also in the increased volume.

Senator YARBOROUGH. Mr. Secretary, we are having an executive committee meeting and I am forced to leave, but I am going to read every word of your statement. I hope these tables are put in the record so that we can have the benefit of these tables with your statement, too.

Mr. HARRIMAN. Could I say, sir, before you leave, that Japan has had this extraordinary growth, I have given you the increased figures of exports through trade rather than aid because since 1955 we have given them very little, if any, aid. She began to pay us back some of what we had loaned her.

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The important thing is to protect her trade, if we don't protect her trade with the United States and other nations she will not be able to expand in other areas as she should. Her trade has been largely with the free world.

I hope in the interest of Texas, expanding trade with Texas, which is the largest with Japan, you will bear that in mind, sir, when it comes to the problems we have of permitting a reasonable importation from Japan to this country.

Senator YARBOROUGH. I want to say, Mr. Secretary, that my interest there, in addition to the exports from my State, is based on the fact that I spent 9 months in Japan and am very much interested in your fine work in that area.

Mr. HARRIMAN. I know of your special interest, sir, in Japan.

Senator ENGLE. I appreciate my colleague from Texas' being here; I hope after the executive session he will return.

Senator YARBOROUGH. If this hearing is still going on, I will be back.

Senator ENGLE. Thank you very much.

Mr. HARRIMAN. Of course, within the region itself about a third of the exports and 29 percent of the imports are between the countries themselves.

Now, on the impediments to trade, I would like to refer to them, for a moment.

The first is the lack of economic development; the figures I have given you are the lowest state of their economic development.

Senator ENGLE. Governor, if I may interrupt you, I notice that at the bottom of page 7 of your statement you state that almost a third of the exports of the countries in the area went to the other countries in the same area, and some 29 percent of the area's imports were purchased. You say that is due to the fact that they complement each other, that is Japan's trade with the less developed countries of the region. Wouldn't it appear that that would also be true to some extent for the United States, which is an industrial community?

Mr. HARRIMAN. Well, I haven't got the breakdown, but you will notice the next sentence, in large part this is due to the complementariness of Japan's trade with that of the less developed countries.

Japan is the fourth industrial country in the world now and her trade with these countries complements—and the size of the trade within the area is very much augmented by the trade of the industrialized Japan with the less developed countries.

Have you got the breakdown of the percentage of the internal trade with Japan as compared to the others?

Mr. PETERSON. Not alone.

Mr. HARRIMAN. I will be glad to furnish it if it is of interest to the committee.

Senator ENGLE. We would like to have that for the record.

(The information requested is as follows:)

### JAPAN'S IMPORTANCE IN PACIFIC AREA REGIONAL TRADE

Exports to other countries of the region accounts for 32½ percent of total exports of Pacific area countries including Japan. Regarding imports, nearly 29 percent of Pacific area purchases are from other countries of the region, including Japan.

For the countries of the Pacific area other than Japan, 22.1 percent of 1960 exports went to other countries of the region outside Japan, and 19.4 percent of imports were purchased from other countries of the region other than Japan.

That is, the inclusion of Japan in the group increased the degree of regionalism in trade. And with Japan excluded, there is a lower tendency toward mutual trade.

Put another way, the countries of the Pacific area other than Japan exported 32 percent of their 1960 total exports to other countries of the region. Of their exports to the Pacific area, exports to Japan accounted for nearly one-third (31 percent). These countries imported 29.2 percent of all their imports from other Pacific area countries; and imports from Japan accounted for 33.6 percent of their imports from other Pacific area countries.

*1960 import data*

[Millions of dollars]

| | Total imports | Imports from Pacific area |
|---|---|---|
| Pacific area countries | 16,829.4 | 4,824.8 |
| Of which, Japan | 4,491.7 | 1,225.2 |
| Pacific area countries other than Japan | 12,337.7 | 3,599.6 |
| Of which: | | |
| Purchases from Japan | | 1,209.6 |
| Purchases from Pacific area outside Japan | | 2,390.0 |

*For Pacific area countries other than Japan*

The proportion of imports coming from within the Pacific area$=\frac{3,599.6}{12,337.7}=29.2$ percent.

The proportion of imports coming from Pacific area countries other than Japan$=\frac{2,390}{12,337.7}=19.4$ percent.

The proportion of imports from within the Pacific area accounted for by Japan$=\frac{1,209.6}{3,599.6}=33.6$ percent.

*1960 export data*

[Millions of dollars]

| | Total exports | Exports to Pacific area |
|---|---|---|
| Pacific area countries | 13,872.7 | 4,514.6 |
| Of which, Japan | 4,054.7 | 1,369.5 |
| Pacific area countries other than Japan | 9,818.0 | 3,145.1 |
| Of which: | | |
| Sales to Japan | | 975.3 |
| Sales to Pacific area outside Japan | | 2,169.8 |

*For Pacific area countries other than Japan*

The proportion of exports going to Pacific area$=\frac{3,145.1}{9,818.0}=32$ percent.

The proportion of exports going to Pacific area outside Japan$=\frac{2,169.8}{9,818.0}=22$ percent.

The proportion of regional trade accounted for by Japan$=\frac{975.3}{3,145.1}=31$ percent.

Mr. Harriman. You see, there is relatively small trade between the less developed countries, although there is naturally some, but as they become more industrialized there will be increasing trade among them as well.

Now, to increase trade the first need is economic development. Of course, economic development is what we are attempting to assist through our AID programs and also through our investment programs, we are encouraging them in every way, including private investment. There are many aspects of economic development, as you know; education, improvement in social conditions, are all a part of the requirement of internal development.

The ideological conflict comes into the struggle for development. The Communists are trying to claim that it is only through Communist organization that countries can have economic development. I want to speak about that a little bit later, but the disaster of communism in the most important of all production—food—should be made clear to the underdeveloped countries, the tragedy of communistic dictatorship.

Now, there are increases in trade relations in the Pacific, and these are improved by cutbacks in exchange controls and trade restrictions. However, in the cutback in trade restrictions these nations have lagged behind Europe because of difficulty with foreign exchange. There again the AID program helps.

Malaya and Australia have the freest of trade. Korea with a balance-of-payments problem has the most restrictions. But, as you know, Korea maintains a very large military establishment because of the threat from the north.

There is a vulnerability of a number of these countries because they have only one export, either rubber or tin or some other raw material, and I think we should recognize the importance of a recent statement by the President indicating our interest in stabilization of world commodity prices and we are working, of course, in a number of different areas. I would like to read the President's statement so that it may be part of the record.

> The United States is ready to cooperate in serious, case-by-case examinations of commodity problems. Frequent violent changes in commodity prices seriously injure the economies of many nations—draining their resources, and stultifying their growth. Together we must find practical methods of bringing an end to this pattern.

Now, as you know, sir, there have been attempts in a number of different commodities to come to international agreements among the producing countries on the one hand and those who are the consumers on the other. We have made considerable progress in the coffee problem and with energy and resourcefulness and persistence we can do something about this.

There are figures to indicate that with all the aid we have given many countries the violent fluctuations in price have done more to damage the economy of the countries than the aid program has assisted. So that I want to underline the importance of this and to stress that the Congress cooperate with this national movement.

I would like to speak about Japan as the most industrialized country in the Pacific. Japan now is the fourth in industry in the world, among the free countries. Its development has been based on trade, and as I have said, the miracle of development of Japan is as striking as the European countries under the Marshall plan. There has been in the last decade a 9-percent growth of gross national product——

Senator ENGLE. Is that per annum?

Mr. HARRIMAN. Nine percent per annum in Japan, and is greater, you know, than Mr. Khrushchev boasts. He boasts of the great results achieved in the Soviet Union, which is roughly 7 percent estimated, and the present government has a program directed toward doubling the income of the Japanese people in the next decade.

This increased gross national product has gone to a considerable extent to the working people themselves and that has brought, as I have said, the average income of the working people to a level almost as high as some of the countries in southern Europe.

Japan is our largest single agricultural market. Next to Canada it is our second largest trade partner and, as I pointed out before, our exports—I would like to underline it—exports rose from the year 1955 of $600 million to $1.7 billion last year, nearly tripled in that period, and that, of course, has added very considerably to the prosperity of our country. In fact, Japan bought something from every one of our 50 States, although Texas and California were the two largest.

Now, this proves again what we have known before, that as countries became industrialized our trade with them expands and as they become more prosperous, so do we. Therefore, we can hope, as other countries of Asia break through an agricultural economy into an industrial economy, we can hope for a very large increase of trade in this area and expanding demands for American products.

I want to underline, however, that Japan had a basis for industrial growth which very few of the other countries have, and therefore it will be a much slower and longer process.

Japan has the technical skills and the industrial base on which to expand. The nucleus of an industrial base must be developed in each one of the underdeveloped countries before we can expect anything like the type of growth Japan has achieved.

One of the important aspects of Japan's growth is her increased assistance to other countries in the area and not only in the Far East area, but also in Africa and in Central America and Latin America.

I want to point out that the growth in Japan has not only been in industry but also in agriculture, due in no small measure to agricultural reform, which we stimulated during the period of occupation.

Japan's production of agriculture is largely by farmers who own their own land and she has increased her agricultural production by 50 percent in the last decade and also has increased the percentage of the production of her own food to 85 percent of the total requirements, which is very good compared to certain industrial countries. For instance, Britain, I think, imports about half her food.

It has been remarkable progress due to not only land reform in Japan, but it shows that the incentive of free enterprise assists in agriculture, but the fact that the Japanese Government has helped in improving seed, improving insecticides, improving mechanization, and improving fertilization, and fertilizers.

Almost the same results have been obtained in Taiwan. Taiwan in the same period has increased her agricultural production by 55 percent, and this is in sharp contrast with the disaster that is happening in mainland China, where we see the Communist organization collapse. .In terms of agricultural production, the disastrous food shortage which is not only due to 3 years and possibly a fourth year of bad crops, but to the failure of the system to give the type of stimulation for agricultural production which comes from farmer ownership of land, working under the incentive of free society.

I think it is fair to say that in every one of the Communist countries communism has failed to produce adequately.

Mr. Khrushchev boasted, you remember, some several years ago he was going to catch America in terms of meat and butter production this year; and not only has he failed to do so but he has admitted—he has had to appoint committees to study what is the matter, and they have had to increase the prices of these products by 30 percent, recently, in order to keep the demand down.

It is true that in Poland and Yugoslavia agricultural production has somewhat improved due to abandoning some of the more extreme Communist methods, but even those two countries, as you know, are calling for help from the United States through the Public Law 480 program.

I guess they feel we should encourage them in their alternative working with the West rather than entirely with the East.

We speak about legislation. I want to be quite frank, sir, in saying that I believe the trade expansion bill which is before the Congress now is the most important single piece of legislation to assist in the expansion of trade. Some people think it was designed primarily for the Common Market. That isn't entirely true; although some of the divisions will be of very great assistance to protect our present markets in the Common Market, we also hope to be able to improve our trade with the great improvement in the Common Market countries, the expansion in the Common Market countries which we hope will come from this area of economic integration.

It will have an influence in the Pacific because of the most-favored-nation clause which will help all of the countries in the Pacific, and it also provides openings for less developed countries for developing tropical agricultural products and the elimination of the 5-percent rates on certain imports.

I believe the strong export drive which has been started by the Department of Commerce and stimulated by the Department of Commerce recently—I hope—will receive congressional support. I think that the program that they are engaged in will be of considerable value in assisting our exports.

The State Department is working very closely with the Commerce Department in connection with this drive. I feel that it is very important to get the full assets of our Embassy back of this; and there may have been some time in the past when the Foreign Service was not as interested in trade as in political matters, but that is not true today.

Secretary Rusk and Mr. Ball have made export promotion a priority and our Embassies are instructed to give trade promotion all suitable attention. With the full country team supporting the export drive we will add to the strength of our representation abroad.

Now, we are also attempting to not only protect trade, but investment through our treaties of friendship and commerce, navigation, and we have developed new types of treaties with Japan, the Government of the Republic of China and in Korea. We have Philippine trade agreements which cover much the same points and we are working on improving our trade relations and our treaties with other countries that have more recently come out of colonial status.

One point is interesting, that trade with the Communist bloc has been relatively small. It has been important to some countries in the area in the sale of their raw materials, but the total trade of the area is only 5 percent of their exports and only 3.8 percent of the imports with the Communist bloc countries.

As far as Japan is concerned, an interesting aspect of her development is that she has been able to have the striking development without any substantial or significant trade with mainland China.

There were those who thought that it would be impossible for Japan to expand except through trade with China, and so far there has been relatively small trade between Japan and mainland China, partly due to the attitude of Peiping in placing political restrictions which Japan was unwilling to conform to.

Japan generally follows the Cocom controls which have been established with the industrial countries of Europe for trade with the Iron Curtain countries.

We have an embargo of trade and that embargo is followed by several countries—Korea, Philippines, and the Republic of China. Other countries, however, conform substantially to the same agreed list as we have for Russia.

Summing up, if I may, with the 900 million people living in this area that we are discussing have relatively small per capita trade at the present time and a tremendous potential of expansion of trade which, as I have said, we will share in. This area is right under the shadow of communism, right next to the Soviet Union and Red China, and is under very considerable pressure, Communist diversion and improvement of their social and economic life is absolutely essential in order to prevent the false statements, false propaganda of communism to take hold.

If we develop—if we show our own interest in the welfare of the Pacific, I think there is no doubt that communism can be checked and rolled back and growth of trade is one of the important factors as well as the AID programs.

I think it is fair to say, Mr. Chairman, that your initiative in pointing the interest of the country to the expanded trade possibilities in the Pacific is a very important aspect. The trade with Europe is having the immediate attention because of the concentration of European countries on the Common Market, but, in fact, I think it is fair to say that your vision and the vision of the people of the Pacific coast in seeing the Pacific as the great area of development of trade is absolutely correct, but it requires our attention and our understanding and I hope that the hearings of this committee will stimulate understanding of the people of the United States and, of course, I always believe that if people understand what the issues are they will take intelligent action which is required.

Senator ENGLE. Governor, I'm interested in the chart you have up there now which shows the trade of countries of Asia with the Sino-Soviet bloc. Australia has gone up since 1955 from 39 to 222 millions of U.S. dollars.

Mr. HARRIMAN. That case is grain purchases. Mainland China, Red China, purchased last year about 6 million tons of grain, largely from Canada, Australia, France, and the Argentine, I think. Part of that she resold, but—swapped—but that was the net of her purchases. And Australia is one of the countries—$150 million of that $222 million was grain.

Senator ENGLE. I know India is a large one.

Mr. HARRIMAN. Yes. There was a base trade in wool which shows the basic trade between 39 and 97. I think a large part of that trade was wool.

Senator ENGLE. That is in Australia?

Mr. HARRIMAN. Australia, yes.

Senator ENGLE. Wool and grain?

Mr. HARRIMAN. Wool and grain. The base trade was wool, largely wool. But this large increase to 222 was in the sale of $150 million worth of grain.

Senator ENGLE. That's a dramatic increase from 1955. I see India started out with $28 million in 1955, moved up to $108 million in 1960, and $115 million in 1961.

Mr. HARRIMAN. Yes. There's no doubt that in these countries—take, for instance, well, Burma has been much the same. Burma has sold rice, of course, largely, but there are a series of imports.

Do you have the detail of imports from India?

You see, there has been considerable aid given in the form of loans by the Soviet Union to India. I know I saw the big steel mill which the Soviet Union financed. And these increases in exports to the Soviet Union is in repayment, to some extent, of the loans that were given some years ago.

I haven't got the detail of the trade. It's largely raw materials. We will get it for you if you wish, sir.

Taking Malaya, I think you will find that is largely rubber, and part of that is—they used to buy in London through the brokers in London, so that the increase in rubber going to the bloc countries isn't as great as is shown here. They used to buy in London and now they buy direct in Malaya itself.

All in all, as I pointed out, the entire trade was 5 percent in one direction and less than 4 in the other of the trade of these countries. And by and large I think they conform. But Japan is the one that conforms to our industrial strategic materials which we have agreed to with the European countries.

Senator ENGLE. Now, speaking in terms of mechanics, what organizations within the Pacific region are now working to increase the economic contacts between the United States and nations in the Pacific?

Mr. HARRIMAN. Well, the important organizations that are attempting to help the countries expand and develop are: First of all I think you would say the Colombo plan is. In addition to that——

Senator ENGLE. Would you explain briefly what the Colombo plan is?

Mr. HARRIMAN. It was originally started by the Commonwealth countries to help each other. Now it includes the United States and Japan and several other countries in addition, and their purpose is to ascertain what the needs of the countries are, and to help the countries obtain their requirements. It, in a sense, is a clearinghouse. It coordinates the aid that is being given; but the aid, of course, is directly between the two countries.

Now, there is an organization known as ECAFE, which is the United Nations Economic Commission for Asia and the Far East, which is quite active in promoting mutual interest in the area on trade questions and the expansion of improvement of transportation and certain developments such as the Mekong River which require cooperation between the countries involved.

Now there are one or two smaller organizations that have been started. There's an Asian Productivity Organization, of which Japan is a member, which includes three or four of the countries, exchanging their talents and helping to improve productivity. There's also ASA—that's Association of Asian States—which includes the Philippines, Thailand, and Malaya, which may grow into a larger organization. There's nothing similar in it to the OEEC, which was started at the time of the Marshall plan, and has now developed into the OECD, but largely because the trade relations between these countries have not been very close and fast, so many of them were colonial countries with direct relations with colonial masters in Europe, and they developed trade patterns between Britain and the various British colonies, France and her colonies, and Holland. And, therefore, there has been very little consciousness of an area economic interest, as of course, historically had grown in Europe.

But we are certainly going to try to increase the cooperation between the areas. We are attempting to stimulate the exchange of technical assistance.

There are a number of the countries that have technical skills—Japan particularly, but also China and the Philippines. Other countries have technical skills which they can share with their neighbors, and also give assistance to Africa in order to offset the attempts that Red China is making to penetrate Africa.

Senator ENGLE. What is the extent of our participation in each one of these organizations?

Mr. HARRIMAN. We are a participant in the Colombo plan. We are also members of this United Nations ECAFE.

Senator ENGLE. The United Nations also has Russia as a member.

Mr. HARRIMAN. Yes; but it has not been a stumbling block.

Senator ENGLE. What are we doing in the Colombo plan?

Mr. HARRIMAN. We share the expense of the organization.

Mr. PETERSON. We are nonregional members of the Colombo plan, and consultants to the committee.

Senator ENGLE. For the record, this is Mr. Avery F. Peterson, Deputy Assistant Secretary for Far Eastern Economic Affairs.

Mr. PETERSON. The United States is a member of the consultative committee of the Colombo plan, which plan, as Governor Harriman said, was originally founded about 1951, largely by British Commonwealth countries, under the leadership of Sir Percy Spender. It has a small organization in Colombo, Ceylon, but is notable for its lack of bureaucracy. It serves a function in the bilateral aid and competence in this part of the world. We had a conference of the consultative committee in Seattle, I think about 3 or 4 years ago, and we have participated in the meetings at the ministerial level ever since we became members.

Senator ENGLE. Give me an illustration of what they do.

Mr. PETERSON. In the case of Australia, providing diesel locomotives to India. They keep that in one channel so that Japan, for example, does not provide the same sort of equipment. That is the coordinating function.

Senator ENGLE. So that they are not competing, is that it?

Mr. PETERSON. No; it is an advisory consultative group.

Senator ENGLE. Is there any place where they inventory what one country needs and what another has so that they can get together on a swap?

Mr. PETERSON. That function is performed, and I would say in a relatively small fashion. The Colombo plan office in Ceylon does not attempt to project the whole of Asia's needs, but rather reports the information, and it seeks coordination on an ex post facto basis.

Senator ENGLE. What is the extent of our financial participation? Can you say offhand, or supply it for the record?

Mr. PETERSON. I could supply it for the record. It's a relatively modest amount for the maintenance of the Colombo plan bureau, and we, of course, figure importantly in the total amount of economic and technical support given in this area because of our aid program being the largest of any of the participants.

A total of approximately $25,000 has been contributed by the United States to the Colombo plan since it became a member of the Colombo Council in 1959. The United States, however, has been a member of the Colombo Consultative Group since 1951.

Senator ENGLE. Now, do we have any people in Ceylon in that organization that are there from day to day?

Mr. PETERSON. No, sir.

Senator ENGLE. Would you think that would be desirable?

Mr. PETERSON. It may well be in the field of technical competence and technical training skills which Governor Harriman mentioned, a matter which has been under review for recent months and may well turn out to be a field in which the Colombo Plan organization can best provide a service that seems to be needed in the Far East.

Senator ENGLE. Let's take the next one. That is the United Nations Organization.

Mr. PETERSON. The Economic Commission for Asia and the Far East, which is one of the four regional economic commissions of the United Nations with headquarters in Bangkok. It has a committee structure of industrialization, trade, the Mekong River development, and has a number of subworking parties as regards petroleum production, the stimulation of the Asian highway movement. Those are the principal activities that come to mind.

I would be glad to place in the record a brief recapitulation of ECAFE and its present work.

Senator ENGLE. I would like to have that.

### RECAPITULATION OF ECAFE AND ITS PRESENT WORK

The Economic Commission for Asia and the Far East (ECAFE) was started in 1948 authorized by a resolution passed by the United Nations Economic and Social Council (Ecosoc). It is one of the four United Nations regional economic commissions, the others being the Economic Commissions for Europe (ECE), Africa (ECA), and Latin America (ECLA).

ECAFE's original purpose was to "initiate and participate in measures for facilitating concerted action for the economic reconstruction and development of Asia and the Far East." The reconstruction phase has been completed and the Commission is devoting its major efforts today to further the economic and social development of its regional members.

There are 20 Asian members of the Commission,[1] five Asian associate members [2] and five "nonregional" members who are also full members. These are the United States, United Kingdom, U.S.S.R., France, and the Netherlands. The only Communist nation member of the Commission in addition to the U.S.S.R. is Outer Mongolia, which was admitted to the U.N. in December 1961, and to ECAFE in January 1962.

The Commission headquarters are in Bangkok, Thailand, where the permanent secretariat is located. The secretariat employs some 90 professional workers and its 1962 budget is $2,516,050. This amount comes from the regular United Nations budget and the United States makes no contribution to the support of the secretariat except through its general contribution to the United Nations. The United States has made contributions to the lower Mekong Basin, a project

[1] Afghanistan, Australia, Burma, Cambodia, Ceylon, Republic of China, Federation of Malaya, India, Indonesia, Iran, Japan, South Korea, Laos, Mongolian Peoples Republic, Nepal, New Zealand, Pakistan, Philippines, Thailand, South Vietnam.

[2] Brunei, Hong Kong, North Borneo and Sarawak, Singapore.

under the general supervision of ECAFE, and it has indicated that it would contribute a small amount (over a 5-year period) to the Asian Institute for Economic Development, which is sponsored by ECAFE.

The principal work programs of the secretariat are to aid the member nations in economic development in the fields of industry, natural resources, inland transport and communications, research and planning, trade, agriculture, flood control and water resources, social affairs and general projects. General projects consist of advisory missions to member countries on the feasibility of specific economic development projects and cooperation with the U.N. technical assistance program in the Far East. The secretariat is organized into eight divisions to carry out these programs. Typical projects now being undertaken by the secretariat are reports of current developments in all of the above sectors as they relate to Asia and studies of how these developments can be used by the member countries to further their economic development. In addition to these studies, the Commission sponsors annual meetings of its three major committees—industry and natural resources, trade, and inland transport and communications, including about 15 seminars a year on subjects relating to petroleum development, housing, chemicals, urban development, commercial arbitration, etc.

The United States has participated actively in ECAFE. U.S. delegations are sent to the annual plenary meeting of the Commission and to the meetings of the three committees. U.S. experts attend about 10 of the seminars each year. The United States maintains contact with the secretariat of the Commission through the U.S. liaison officer to ECAFE who is a member of the American Embassy, Bangkok.

Senator ENGLE. Does that include all of the countries that are mentioned here? I observe the Governor in his opening statement on page 2 states:

> Let us examine the 16 countries and the 3 island communities.

Mr. PETERSON. To answer your question, Mr. Chairman, the ECAFE pattern is a somewhat different spectrum in that it includes Iran, Afghanistan, and that part of the Near East, and it also includes the Soviet Union, France, and the United Kingdom as nonarea participants.

Senator ENGLE. What about the Colombo plan? Does it include any of the Latin American countries at all, or the Central American countries?

Mr. PETERSON. No, sir.

Senator ENGLE. Do any of these plans include them?

Mr. PETERSON. There is a United Nations regional commission comparable to ECAFE which operates in the other American republics.

Senator ENGLE. Is there any correlation between that one and the one for Asia and the Far East?

Mr. PETERSON. The Economic Commission for Latin America, and then there is the old European Economic Commission which was the first one that was started by the United Nations.

Senator ENGLE. Now, how active are they?

Mr. PETERSON. ECLA is quite active. The European Commission, it is my impression, Mr. Chairman, is not as active as it was at one time.

Mr. HARRIMAN. Mr. Chairman, may I add that these United Nations groups are independent for different areas tie into the overall United Nations Council for—the Economic and Social Council.

Senator ENGLE. It seems to me that it would be a little hard to work with that outfit with the Soviets sitting right in the middle of it.

Mr. HARRIMAN. Yes. The Soviets are right in the middle of that one.

Senator ENGLE. I can't hear you, sir.

Mr. HARRIMAN. I say they are involved very actively, particularly on the Council for Europe, but also in ECOSOC.

Senator ENGLE. I haven't any doubt but what they are. But since we have a position with reference to trade with the Sino-Soviet bloc, in which we exclude certain items, it would seem to me to be difficult sitting in the same commission with them.

What I am trying to determine is whether or not we have any existing system under which we can correlate the efforts that are being made in the Pacific area.

Now you have mentioned three already: The Colombo Plan, the Economic Commission for Asia and the Far East, and the Economic Commission for Latin America.

Mr. HARRIMAN. The one in Latin America, of course, doesn't relate to the Pacific at all. The third Pacific organization is the Asia Productivity Organization to which we contribute—I think last year about $200,000—and that covers half a dozen countries: Japan, Taiwan—the Republic of China—Korea, Thailand, India, and the Philippines. And that may expand as other countries become interested. The purpose of that organization is to try to improve productivity in the member countries.

We hope that in one of these institutions there will be an organization developed which will help the use of talents that exist in the Pacific area in other areas of the world—or, rather, within each other, between the countries in the area and also between the Pacific and Africa, let's say, or Latin America.

But there isn't any overall organization comparable to the OECD which is so important and effective in the North Atlantic community.

Senator ENGLE. Would it be desirable to have one?

Mr. HARRIMAN. I think it has to be done, sir, as an outgrowth of the demands of the countries themselves. We have been giving this matter very considerable thought and our general idea at the moment is to stimulate the activities of each of the existing organizations and gradually increase the interest of the different countries in some sort of regional organization.

As I have explained, the countries are economically rather more tied in their trade relations with either the United States or Europe, or both; the more industrialized countries. There isn't the same affinity of interest between these countries as there was between the European countries.

Senator ENGLE. Well, certainly they are quite different in character. The European Economic Community is made up very largely, of highly developed states, and in getting them together it was a problem of breaking down their tariff barriers as between themselves; whereas in the Pacific community, with the exception of the three that you have mentioned—Japan, New Zealand and Australia—and I think you mentioned Malaya also—you state on page 3 that while a few of the relatively developed countries—Australia, New Zealand, Japan, and Malaya, and you mentioned Singapore and Hong Kong which have a characteristic of their own—most of them start from an exceedingly low base. I take it that it is your belief that in order to improve that situation we have to improve their base.

Mr. HARRIMAN. That is correct, sir. I might say there is one area—there is one tie which these countries have, with not only their neighboring countries but also others across the world, these commodity agreements and the commodity problems are beginning to tie each of these countries with the particular country in Latin America or with Africa that has the same commodity. There is a tin committee which includes Bolivia, Nigeria, Thailand, Malaya, Indonesia, the Congo and the United Kingdom. Then, of course, in the coffee discussions, on which there is an agreement which has just been reached, there are all of the coffee producing countries—most of the coffee producing countries participating.

I am just trying to give you a picture of the situation of the ties between the countries that produce the same commodity, but no organization on an area basis.

We have been studying it. We would be very happy to have any suggestions that your committee has, sir, that might be useful. So far we have felt that we could perhaps get best results by encouraging the organizations that already exist and as community of interest develops, then give it greater support.

Senator ENGLE. I don't doubt that that is one of the first things that has to be done, that is to give encouragement to the organizations that are now in being, but we have several parallel probes going forward. We have one that you mentioned in your testimony, where you state on page 4 that you will appear tomorrow before another committee to support AID's appropriation request for development loans, grants, and supporting assistance in the Pacific area in a range of $1,300 to $1,400 million, which I take it is $1.3 to $1.4 billion, for the coming fiscal year; is that right?

Mr. HARRIMAN. That is correct, sir.

Senator ENGLE. And this has a direct relationship to the development of trade programs, does it not?

Mr. HARRIMAN. Yes, it certainly does. I think it's quite clear that our economic assistance programs have added materially to the trade.

Senator ENGLE. Then, of course, you mentioned also the program going forward through the Department of Commerce to develop our trade relationships, and the Department of Commerce is coming up here to testify on that.

Mr. HARRIMAN. May I put them in focus? The economic aid assists in overall expanding economy and increases the demand for products from not only the United States but other countries. The Department of Commerce trade promotion is to encourage these countries to look to the United States competitively as against some other area. One creates the demand and the other tries to direct the demand toward the United States, and also attempts to encourage purchases from the United States to increase productivity and in other ways improve by the purchases from the United States, improve their social and economic conditions.

Senator ENGLE. What is the aid program, on which you will testify tomorrow, doing in this direction, and also these various other organizations working in this area at the present time?

Mr. HARRIMAN. Our aid programs are entirely bilateral. On the other hand, the Colombo plan may call to our attention some requirement that a country may have and that may contribute, but by and large our aid program is developed on a bilateral basis. There are some exceptions where there is some cooperative enterprise between several countries but that is on an ad hoc basis.

We have not mentioned, of course, the Southeast Asia Treaty Organization which is, of course, a military alliance, of which there are eight members including in this area of Thailand, the Philippines, Pakistan, Australia, New Zealand, France, the United Kingdom, and the United States; eight in all.

The treaty organization does include certain cooperation in the economic and cultural field, the organization has a training school in Bangkok which has encouraged the training of technicians in the area in order to stimulate the engineering talents. There has been some work done in cholera.

Mr. PETERSON. Cholera station in Pakistan.

Mr. HARRIMAN. There is a cholera station in Pakistan.

Mr. PETERSON. Under the guidance of SEATO.

Mr. HARRIMAN. This is an engineering school in Bangkok. But the SEATO organization is largely a military alliance.

Senator ENGLE. That was my impression of it SEATO is basically military in character.

Mr. HARRIMAN. That is correct, but it has done some work in the economic field, cultural field. There has been an attempt to improve communications which has a double value, but in addition to which are these institutions that I mentioned. But they are relatively small compared to the total problems of the area.

Senator ENGLE. Let's compare the way we have operated in the Atlantic community with the way we are operating in the Pacific community.

We have the organization for the economic cooperation and development, OECD.

Mr. HARRIMAN. That is correct, sir.

Senator ENGLE. This is within the Atlantic community in which there are 21 nations. Now, basically, do we funnel our efforts in the Atlantic community differently because of the existence of OECD than we have heretofore, and do now in the Pacific community?

Mr. HARRIMAN. Yes, sir; entirely differently. You recall that when the Marshall plan started, the proposal of General Marshall, of course, with President Truman's approval, was the suggestion to the European countries that they get together and form a cooperative organization and indicate how they could help—how self-help could be generated and what outside assistance was needed, so that in the very beginning the Marshall plan was conceived to assist the European community as a whole, whereas our aid programs first developed from point IV and then expanded. Of course, in Japan we have the GARIOA assistance, but it has been done on a bilateral basis and there has been no collective organization to deal with because there isn't an affinity, sir, that exists.

The organization within Asia itself must have groups in the area itself and so far there have been these beginnings of area cooperation of the type that I speak of—Asian productivity organization and the ASA which are the beginnings of area consciousness and we want to do everything we can to encourage them. But we are lead to believe that the organizations must come from the area themselves rather than composed from without.

Senator ENGLE. I would agree with that. But I would say that when we speak in terms of the AID program in this area that we are probably back in the same starting place where we were when we started with the Marshall plan.

Now, as I understand it, under the Alliance for Progress for Latin America we are speaking in terms, too, of a community attitude approach such as at the conference at Punta del Este, where they laid down the basic format. Now, we haven't undertaken to encourage any sort of conference of that type in this Pacific area.

Mr. HARRIMAN. No, sir; we haven't. I am very strongly in support of what you are driving at—I gather you are driving at—there is a great value in area organizations as has been shown by the OECD or the OEC and the Marshall plan days and, of course, the Alliance for Progress.

The Alliance for Progress came out of not only the Organization of American States, but its predecessor, the Pan American Union, which goes back for half a century—1910. Now, there has been no such organization in the Pacific, among other reasons, because so many of these countries had ties with their colonial masters rather than their neighbors.

As you know, most of these countries that we're dealing with in this area were under colonial status relatively a few years ago. Now they are producing products which they want to sell to us or to Europe, or in some cases to Russia, and they want to buy industrial equipment from largely the United States, Europe, or Japan and therefore their ties are along parallel lines rather than having developed either a cultural or political or economic union.

Senator ENGLE. That is an interesting comment.

Mr. HARRIMAN. We have been studying this matter and, as I say, I would be very happy if this committee could give any suggestions of activity which would be useful. I think that in time we hope that there will be a much more active and more comprehensive organization developed in the Pacific, but it is quite clear that we have nothing comparable nor is there anything immediately in the offing, nor is there anything which we can immediately devise which would contribute largely to the objectives which you have in mind, sir.

We do intend, with the help of Congress, to support the existing organizations and to help develop them but I believe most people who have studied it believe that the impetus must come within the countries themselves and unfortunately there have been very deep-seated antagonisms that have developed. We see them between India and Pakistan. We see them between Thailand, Cambodia, and Vietnam.

These antagonisms are very deep seated which go back historically for many years based on different racial or religious differences and we certainly believe that everything should be done to assist to ameliorate these differences, but there is not the same common heritage which tends to tie these countries together.

Senator ENGLE. Well, the Germans and the French didn't get along very well——

Mr. HARRIMAN. Except, there is one thing that does tie most of them together and that is the fear of Red China. That is a very large influence.

On the other hand, as you know, some of them have decided to be nonallied, others of them have joined SEATO and that again has a divisive influence. Whereas most of the countries of Europe joined the North Atlantic Treaty Organization, as you know, sir, and that helped to tie these countries together.

Senator ENGLE. Yes, now the North Atlantic Treaty Organization preceded the OECD, did it not?

Mr. HARRIMAN. No, the OEEC, which is the Organization of European Economic Cooperation, is the first. The first meeting of the committee for that organization took place, out of which it grew, took place in July of 1947, and it was organized, I think, officially in April of 1948 just after Congress passed the Marshall plan, approved the Marshall plan, and then the next year I think the NATO—1949 I think was the year in which NATO was organized.

Senator ENGLE. Yes, but what I was trying to find out is whether or not the OECD did not——

Mr. HARRIMAN. Yes, now the OECD is the organization that came out of OEEC. It is an organization in which both Canada and the United States participate whereas in the other organization we were observers, not full members. But, the OECD is an outgrowth of the OEEC.

Senator ENGLE. And it did come out to some extent from the initiation of the Marshall plan, did it not?

Mr. HARRIMAN. That is correct.

Senator ENGLE. When we look into the Pacific area, however, we have in mind a program of substantially the same scope in economic aid and development of one kind or another, but we have no equivalent type of organization, do we?

Mr. HARRIMAN. That is correct.

Senator ENGLE. I notice the absence of any mention of Canada in reference to any of these various organizations. Is that because Canada isn't really interested?

Mr. HARRIMAN. Canada is in the Colombo plan.

Senator ENGLE. But not in the others?

Mr. HARRIMAN. Not in SEATO or in these others, which are strictly Asian organizations—Asia productivity organization or the ASA.

Canada has played, of course, an important economic role in the expansion of trade in the area.

Senator ENGLE. Well, we have to regard Canada as one of the major industrial nations in the Western Hemisphere.

Mr. HARRIMAN. Yes, we have had discussions, bilateral talks with Canada about the manner in which we could cooperate together in expanding trade in the Far East just as we have had bilateral talks with other countries.

Senator ENGLE. In the interparliamentary meeting with the Mexicans, I observed that Japan is also their second largest customer.

Mr. HARRIMAN. I didn't know that.

Senator ENGLE. Where does Mexico sit? I have spoken of Canada. Now here is Mexico; one to the north and one to the south. They are certainly involved in anything that is developed tradewise in the Pacific.

Mr. HARRIMAN. Yes, we have had very little contact with any of the Latin American countries in regard to the aid program in the Pacific.

Senator ENGLE. Do you think that it would be advisable to have more contact with them?

Mr. HARRIMAN. Yes, I think that the more we can stimulate international trade on a multilateral basis the better it is for everybody.

Senator ENGLE. As a matter of fact, wouldn't it be proper to suppose that all of those Central American countries, starting with Mexico and going right down to Panama, and then all of the South American countries that border on the Pacific Ocean, have an interest in this matter, whether it is Chile or Bolivia, or Ecuador, or Colombia, or whatever.

Mr. HARRIMAN. I would like to study, sir, whether it would be better to do it on an individual basis or perhaps consult with the Organization of American States to see what it should be, because it isn't necessarily only the countries that are on the Pacific Ocean, but as Senator Yarborough has indicated, some of the Gulf States have an interest, Texas and there may be a common interest with other countries of Latin America even though they may not have the actual Pacific waters wash their shores.

Senator ENGLE. Well, Mr. Secretary, these discussions, of course, have only been preliminary. You have supplied us with an excellent statement and very valuable information.

I would hope some day that we could explore a little bit the broadening of what we are doing and the correlation of what we are doing.

Mr. HARRIMAN. May I point out, sir, that there are certain common interests which exist which we are trying to stimulate and that is the interest of the underdeveloped countries in their trade and of obtaining aid from the industrial countries, there are also some common interests in the commodity producing countries.

We have just seen the coffee discussions in the United Nations which have been very fruitful and successful. There we have, of course, Brazil, which is the largest producer of coffee, other Latin American countries such as Colombia and tied in in the discussions with Nigeria and Africa—Nigeria is not the right one—Ghana and other countries in Africa, and some of the countries in the Far East.

The same thing with tin. So I think one of the ways to get at a community of interest is to expand what we are now doing which I hope the Congress will support, attempting to get commodity agreements which will help stabilize the commodity prices and therefore stabilize the economy of the underdeveloped countries. I think through practical ways, practical means of the basic interests of these countries can we achieve greater unity of purpose than by a more general approach, but that has been the policy so far.

On the other hand, if this committee has any suggestions we will be very glad to give them the fullest consideration. For the benefit

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of those members who just came in, I think we believe that the most important single problem of the underdeveloped countries is the achieving of relative stability in the commodity prices and President Kennedy's statement on that was hailed the world over among the underdeveloped countries, and we are following that up with commodity discussions and in several of the more important commodities, but I hope it will be expanded. It has been contended, you know, by Latin America, that the fall in commodity prices, or the relative change in the terms of trade have more than offset all the assistance that we have given to Latin America.

There is, of course, this question of the sale of our surplus. I hope the Congress will be understanding of the fact that we could dislocate the commodity prices of such things as rubber, tin, items which we purchased in good faith and now wish to dispose of, and I think that is an area which we find the unity of opinion.

We have recently had discussions about the sale of tin. We have found that Bolivia and Malaya had the same point of view with regard to some of our plans.

Senator ENGLE. You say they were or were not?

Mr. HARRIMAN. They did have the same point of view. They did urge us to be very cautious. You see, Bolivia, Malaya, Indonesia, Thailand, are the principal producers of tin and tin is among the largest cash-producing commodities in export for those countries. They will pull together because of their interest in the tin committee, and in these discussions.

I think you will find that if we can develop a community of interest between these countries, specifically we will get much more cooperation, and I would think that in the area of commodities we could get a great deal of common interest between Africa and Asia and Latin America which will be very lasting and very important, but I fully agree with you, sir, that we ought to do what we can to stimulate community interest in the Pacific.

Senator ENGLE. Are there any questions by the committee?

We have our distinguished chairman of the full committee here now, having just left the executive committee.

Off the record.

(Discussion off the record.)

The CHAIRMAN. I want to say, Governor, we are sorry we couldn't be here for the beginning of your testimony, but we hope we are getting near the end of the session. We had some important bills that we had to discuss in executive committee session, but I am sure you contributed a great deal to what the Senator from California and the members of the committee are thinking about, and I want to assure you we will all read your testimony with great interest.

I think that when we talk about the Pacific and the economic situation there that we are talking about a much more flexible situation and a much less definite pattern of trade than we are in the Atlantic communities. Therefore, our position has to be well thought out in all these matters where new trade patterns are taking shape in the Far East. This becomes a real problem for us, and a problem for such countries as Japan, who wish to expand their markets, too, in the Far East, and I think we ought to be as helpful as we can in that matter—not necessarily just how it affects these United States dollarwise, export or importwise, but how the whole pattern of the Pacific takes shape.

Mr. HARRIMAN. Mr. Chairman, I think that my testimony before you came can be summed up in a brief statement. I am very happy this subcommittee is studying the whole question of the Pacific trade; the general news is in connection with the Common Market. We have achieved a very substantial increase in trade with the Common Market countries and we can hope to continue it, but the percentage of increase in trade is in the Pacific, if the Pacific community can develop the opportunities for trade; I pointed out that between 1955 and 1961 our trade with Japan almost tripled whereas our trade with the Common Market countries increased by 66 percent. It indicates the kind of thing that happens——

The CHAIRMAN. This new activity of trade patterns in the Pacific.

Mr. HARRIMAN. The kind of thing that happens when a country breaks through from an agricultural status to an industrial pattern, and I pointed to the very low trade that exists now; totally the trade in the Pacific is somewhat greater than the trade with the Common Market but the potentialities of the Pacific are vastly greater than if we concentrate—and if we do the type of promotion, economic promotion which I hope the Congress will support.

One of the most important aspects, of course, is aid, and then the trade promotion without the Communists is a very important aspect.

The CHAIRMAN. But the needs of the people in the whole Far East are so far greater in potential for the American manufacturer and American producer in the future than in Europe that there is really very little comparison. When we talk about trade producing jobs, it seems to me that the Pacific area could produce literally hundreds of thousands of new American jobs if we could work this out in the proper way. The needs are there.

Mr. HARRIMAN. I agree with you, sir.

Senator ENGLE. They don't have much now in most of those countries, so if we could develop something for them we would have a market.

Mr. HARRIMAN. We have our trade now. Our trade last year, our sales, our exports last year to this Pacific-Indian Ocean area which has 900 million people was about $4 billion; to Europe, Common Market plus United Kingdom which has 220 million people, our exports were $3.5 billion. That shows the difference in the proportion.

Senator ENGLE. For the purpose of compiling those figures, have you included the 480 situation?

Mr. HARRIMAN. These are purchases—yes, it includes the Public Law 480—about half the exports of agricultural products in this area came from Public Law 480.

Senator ENGLE. Those can't always be regarded as bona fide exports, can they?

Mr. HARRIMAN. What did you say, sir?

Senator ENGLE. They are not really bona fide exports in the same sense we think of exports——

Mr. HARRIMAN. Not exactly, but they have a very great impetus on the economic growth of the countries.

Senator ENGLE. I haven't any doubt of that, and I am not challenging the correctness of it, but it seems to me that putting those figures into export figures doesn't always give us a correct picture.

Mr. HARRIMAN. It shows what the need is.

Senator YARBOROUGH. May I ask a question here, Mr. Chairman?

Senator ENGLE. Unless the Senator from Kentucky has any questions?

Senator MORTON. No; I have no questions.

Senator YARBOROUGH. I want to ask, Mr. Ambassador, these Public Law 480 exports, don't they create desires and demands and cause the long-range building up of exports?

Mr. HARRIMAN. I think they are very, very important. Not only do they prevent real misery in the countries involved but the sale of these commodities led to investments and expansion of the country in which our trade benefits.

May I say that, of course, Japan has been trade not aid, but the Trade Expansion Act which is before you, the trade expansion bill which is before you, we believe, can have just as far-reaching influence on our trade relations with this area as they do with the Common Market; although some provisions are directed for the Common Market, there are certain other provisions which have an equal or even more play in the Pacific area.

Speaking of legislation, I suggested that this trade expansion bill was the single most important piece of legislation before the Congress today in helping trade expansion in the Pacific.

Senator ENGLE. Senator Thurmond, do you have some questions or comments? By the way, you were here before and we are glad you returned.

Senator THURMOND. Thank you.

Governor Harriman, I believe the receipts from the sale of the goods under Public Law 480 are made in currency of the local country, and that currency is retained there for our use; is that the way it operates?

Mr. HARRIMAN. Under one of the provisions of the act; yes, that is correct.

Senator THURMOND. In other words, we could spend that currency in that country for goods or services. Now, could we swap the goods under Public Law 480 for the goods of a particular country, and bring those goods back here?

Mr. HARRIMAN. We have been careful, of course, not to destroy normal trade; otherwise it would be disastrous. But we have paid for our embassies. We have paid for certain other expenses that we have in the country, but, by and large, the money has been set aside, and the country has been permitted to use the money for the expansion of its economy and therefore have had—there hasn't been the same need for outside assistance.

Senator THURMOND. Well, was your answer that we could or could not swap the currency of the local country for goods that it produces that we may wish to bring back here?

Mr. HARRIMAN. Well, we can't destroy the trade of the country; in other words——

Senator THURMOND. I am not speaking about the philosophy, Governor; what I want to know is whether, under the law, we can trade our goods under Public Law 480 for goods of another country and bring those goods back here?

Mr. HARRIMAN. Yes.

Senator THURMOND. I am just inquiring as to your construction of the law.

Mr. HARRIMAN. We have, in certain cases, purchased certain items that we needed in our stockpile for our commodities, but, by and large, we have not interfered with the normal trade between our country and those countries.

Senator THURMOND. Well, since we can use the currency in another country to which we have furnished goods under Public Law 480 for the purpose of bringing goods back here for our stockpile, then why don't we use that source for stockpile instead of paying additional funds for that purpose?

Mr. HARRIMAN. I think, in the countries where we need an expansion of the stockpile, that has been done, but at the present time a committee of the Congress, of the Senate, as you know, is reviewing the stockpile and has developed the fact that we have an excess of many of the items which are required for stockpile and the present problem is to dispose of that excess rather than to purchase any more.

Legally, of course, we could buy in these countries. It could be destructive of the economy of the country if we fail to do it.

Senator THURMOND. We need a great many minerals in this country. Now, would it not be wise for us to swap our food for those minerals?

Mr. HARRIMAN. I think, sir, I haven't been over the stockpile on each item. The Senate has recently developed the facts that we have an excess of the present considered requirements of many of the items and therefore there doesn't appear to be, at the present time, any area that is attempting to obtain food or agricultural commodities under Public Law 480 which we need additions to our stockpile.

I will check that, and make sure, and let you know and put it in the record if you wish, sir; but I don't know of any case. I do know of a number of cases where we did swap surplus food, agricultural products, for items we needed in the stockpile in the past, but our stockpile has accumulated now to the point where it is considered we have an oversupply in the stockpile.

Senator YARBOROUGH. Mr. Chairman, I hope the distinguished Senator from South Carolina didn't include oil in those minerals he wants to trade. We have a little oversupply of imported oil at this time.

Senator THURMOND. Even if we should not need certain minerals now that a country produces, would that not be a sound policy in the future—that when we need something and we are sending them food, why shouldn't we get minerals in return, or something else in return?

Mr. HARRIMAN. That's what we have been doing as I understand it, sir, in the recent years. I wasn't here, involuntarily so, for a period of 8 years, and I am not as familiar with all of the transactions that took place between 1953 and 1961, but I understand there were quite a number of transactions that swapping surplus agricultural products—cotton and grain—for items that we need, minerals that we needed in the stockpile. That went to a point, as I understand it, where one of the Senate committees, criticizing the size of our stockpile, suggested that we sell on the open market considerable amounts.

I don't know of any item today which is still open for swap, but I will check that if you wish me to, sir, and put it in the record with this committee.

Senator THURMOND. We have furnished Poland and Yugoslavia with large quantities of goods, I believe.

Mr. HARRIMAN. We have given them quite——

Senator THURMOND. Could you tell us what we have gotten in return, and how the value of what we have gotten in return compares with what we have furnished them?

Mr. HARRIMAN. Yes, we have given Yugoslavia, we have sold under Public Law 480 a very considerable amount of surplus agricultural commodities over the years, and it is hoped that that will continue, but I don't know—I am not informed as to whether we got any items from Yugoslavia. I don't think there were any items.

Senator THURMOND. In other words, we have gotten nothing from Yugoslavia, but we have furnished them large quantities of food and other products.

Mr. HARRIMAN. Very considerable quantities of agricultural products.

Senator THURMOND. What have we gotten from Poland in return for the food and wheat and other goods we have furnished them?

Mr. HARRIMAN. I don't think there is anything that Poland has that—did we get any items? I will check and see, but I don't believe there are any items that we got for the stockpile from either Poland or Yugoslavia.

Senator THURMOND. Both of these countries, of course, are Communist countries.

Mr. HARRIMAN. Both of them are Communist countries.

Senator THURMOND. So, we are accumulating large quantities of money in those countries, is that right, but not getting the goods back?

Mr. HARRIMAN. I will have to check what the present status is. Perhaps you can answer this question, Mr. Trezise?

Mr. TREZISE. My name is Philip Trezise, and I am Deputy Assistant Secretary of State for Economic Affairs.

What I recall, Senator, what we have in Poland and Yugoslavia, is a local currency claim in those two countries.

Senator THURMOND. We have currency that we can spend over there.

Mr. TREZISE. Within very narrow limits we can spend it; yes.

Senator THURMOND. Within very narrow limits?

Mr. TREZISE. We can spend some of it locally and we have had some transactions which help to support our market development program for agricultural commodities.

Senator THURMOND. I would like to ask you this question. It may be helping those countries, and that may be the purpose of it, but so far as helping this country, what advantage is there in sending goods for currency there that we can't use except within very limited ways?

Mr. HARRIMAN. These are credit sales, we claim on goods, that is, we don't use the currency until we at such time by mutual agreement use them.

Senator THURMOND. How long have we been doing this?

Mr. HARRIMAN. We have had Public Law 480 since about 1952, I think.

Senator THURMOND. About 10 years, and we have been deferring the payments since then—the currency? We have been deferring the goods or services?

Mr. HARRIMAN. For the most part; yes.

Senator THURMOND. How much longer are we going to defer? When are we going to begin to cash in on some of that?

Mr. HARRIMAN This varies country to country. In some countries we have made some collections under Public Law 480 sales already. It depends on the country's capabilities and our judgment in each case as to what we can get, but these are genuine claims on the other country's resources and we expect, Senator, in many cases we will be able to realize those.

Senator THURMOND. Tell me what you expect to get out of Poland. I believe we have let them have—how many billions of dollars? Do you have a figure? We have let Yugoslavia have about $3 billion, haven't we?

Mr. HARRIMAN. I don't know.

Senator THURMOND. And we have let Poland have over a billion. Tell me what we have gotten from either of those countries, and what we expect to get and when?

Mr. HARRIMAN. I would have to check the record, Senator, to tell you exactly what we have received. We could do that.

Senator THURMOND. Would you furnish that information for the record, to tell me what we have received and what we expect to receive and when we expect to receive it?

Mr. HARRIMAN. All right. It will be in the nature of estimates, sir.

Senator THURMOND. For these billions of dollars we have been sending over there to these Communist countries.

(The information requested is as follows:)

## PUBLIC LAW 480 AGREEMENTS WITH POLAND AND YUGOSLAVIA

### POLAND

Since the beginning of Public Law 480 (1954) through June 30, 1962, agreements with Poland for sales of agricultural commodities for zlotys under title I of the act have totaled the equivalent of $425.6 million at export market value, including $31.9 million for a portion of ocean transportation costs. One hundred percent of the sales proceeds are for use of the U.S. Government. To the extent that they are not used for our own requirements, the Polish Government is to make step-by-step repayments to the United States, in dollars, following a 10-year grace period after each agreement. Thus, the sales to Poland are for the most part dollar repayable and do not involve the economic development assistance which characterizes most Public Law 480 title I agreements.

Besides use of the currency for our Embassy and other expenses in Poland, we have obtained agreement from the Poles to provide facilities for conversion into other currencies of a portion of the Public Law 480 sales proceeds. These include, for example, the equivalent of $250,000 for payment of international air travel for U.S. Government personnel; the equivalent of $1 million for our educational exchange activities in third countries, including travel of exchangees between Poland and the United States; and the equivalent of $3,238,000 to finance agricultural market development activities of the United States in third countries. These amounts for conversion have been concentrated in the most recent agreements with Poland.

It might also be noted that in the agreements of December 15, 1961, and April 19, 1962, the Poles agreed to purchase in 1962 for dollars from the United States, in addition to commodities provided under the title I programs, 200,000 metric tons of feed grains, 10,000 metric tons of rice, and 46,000 bales of cotton and the same amount of tallow as was imported from the United States in 1961 (approximately 25,000 metric tons). These quantities have an estimated total value of about $21 million.

For the future we hope to obtain agreement with the Poles that proportionately larger amounts of zlotys may be made available from new title I programs for our needs in third countries. Also, we anticipate that there will be further requirements for dollar purchases of agricultural commodities from the United States in connection with such programs.

YUGOSLAVIA

Through June 30, 1962, Public Law 480 title I agreements with Yugoslavia reached a total export market value of the equivalent of $528.6 million, including $55.5 million of transportation costs. The total sales proceeds in Yugoslav dinars have been set aside as follows: 17.6 percent for U.S. Government uses; 26.9 percent for economic development grants to Yugoslavia, and 55.5 percent for economic development loans to Yugoslavia. These loan funds are repayable in dinars generally over 30 years at 4 percent.

While the percentage for U.S. Government needs is proportionately small, it is large in terms of foreseeable requirements. We are attempting, therefore, to obtain increased use of these funds for financing of our needs in third countries. So far, we can use up to the equivalent of $250,000 for procurement in Yugoslavia of goods and services needed in connection with agricultural market development activities in other countries, and we have agreement that up to the equivalent of $2,966,000 can be converted into other currencies for the same activities in other countries. We have also obtained agreement that up to the equivalent of $1 million may be converted into other currencies for educational exchange purposes, including exchangees between the United States and Yugoslavia. Most recently, we have obtained agreement that the equivalent of $1,160,000 in Yugoslav dinars may be used to procure goods and services in Yugoslavia needed for U.S. agencies and establishments in third countries.

It will also be of interest that the first title IV agreement with Yugoslavia was signed April 21, 1962. This was for $17.3 million of cotton and soybeans/oilseed meal/cake, with repayment to be made in dollars over 15 years at 4 percent.

We anticipate that for the future there will be additional sales to Yugoslavia under title IV of Public Law 480. We also plan in all new title I negotiations to seek further outlets for use of our accumulated dinars, particularly for our needs in third countries.

Mr. HARRIMAN. Mr. Chairman, may I suggest, Senator, that we are here to discuss Pacific trade and haven't been prepared to discuss Public Law 480. For that reason we don't have the figures.

Senator THURMOND. I won't ask you any more questions along that line; I didn't mean to embarrass you, Governor.

Mr. HARRIMAN. We have not got the figures for the questions Senator Thurmond asks. Of course, the basic reasons for the Public Law 480 is to use our surplus—God-given surpluses—to promote the political objectives of the United States, which are peace, and certainly, if I may say it, although it's not a reason for this——

Senator THURMOND. While you are mentioning that——

Mr. HARRIMAN. May I finish, sir; both Yugoslavia and Poland have an alternative rather than turning to Moscow, and it had an influence certainly in my judgment, of breaking the monolithic structure or helping to break the monolithic structure of Communist domination, even in these countries.

Senator THURMOND. Do you construe the purpose of Public Law 480 as being to accomplish political objectives? Is it to help the other country, or is it to help our country economically? Just what is the purpose as you construe it?

Mr. HARRIMAN. I can't answer that question, sir. One of the first motives was to remove from the American market the surpluses which we had. That was one of the motives. Then there is the question of food for peace; there are a number of different motives. The economic development of other countries and our economic policies and our political policies are tied very closely together, sir. Our fundamental objective, I think, of all foreign policy and economic policy is peace; the next policy I would think is the prosperity of our people.

Senator THURMOND. Well, I won't go into whether the fundamental goal should be peace or freedom, but let me ask you this: Is Public Law 480 being used to accomplish political objectives or is it being used to help our country economically?

Mr. HARRIMAN. I think there are varied reasons for Public Law 480. Certainly it relates to the welfare of our own economy in a number of different ways; the welfare of the world as a whole; food for peace is one of the objectives, the hope that the world can develop in freedom, and there is a series of objectives which I believe Public Law 480 has as its objective and is achieving.

There is not one single objective, and I don't know which objectives the various Members of Congress had in mind when they voted for the original bill or vote now for the continuation of it.

Senator THURMOND. The question I am trying to get at is this: Is Public Law 480 helping our country economically or is it helping it in its political objectives?

Mr. HARRIMAN. I think both, sir.

Senator THURMOND. In other words, from what you have said, we have gotten nothing back from Yugoslavia or Poland, and I'm just wondering what we have gotten back from other countries.

Mr. HARRIMAN. I am not here prepared to discuss a detailed analysis of what Public Law 480 has done. I think it might be well to have a hearing on that subject at the appropriate time if the Senator wishes, but I am not prepared to analyze what has happened as a result of Public Law 480. We do know that Public Law 480 has added to our agricultural prosperity and therefore to our general prosperity of our Nation.

Senator THURMOND. I don't have any further questions, Mr. Chairman.

Senator ENGLE. Thank you very much, Governor, for this excellent and enlightening testimony. We express our appreciation to you and to your associates. I would hope that a little later on, perhaps when we can get a better perspective of what is going to develop with reference to the Common Market—giving a better idea, too, of what then will be the posture, of Australia, New Zealand, and Japan in this whole picture—we can take another look at this situation, and see whether or not we can do something further to increase the potentiality, or increase the use of the potentiality, of the Pacific trading community so far as our country is concerned and so far as those other countries are concerned.

The next hearing is with the Department of Commerce tomorrow morning at 10 o'clock. Now, are these charts which you submitted, Governor, in a condition so that we could get them and reproduce them in the record? I think they are important enough to do that?

Mr. HARRIMAN. I would be very glad to do so.

Senator ENGLE. We would have to have them in smaller sizes.

Mr. HARRIMAN. May I say in closing, sir, that I believe that your initiative, the initiative of this committee, and the objectives you have, are extremely important and we in the State Department were only too gratified to be able to work with you on attempting to expand the trade opportunities in the Pacific and to get any judgments that you may have as to the manner in which we can stimulate further activity than we are engaged in at the present time. I am grateful to your committee for its initiative in this area.

Senator ENGLE. Thank you very much, Governor. Without objection these charts will be made a part of the record at the appropriate point.

TABLE 1.—*Trade of principal countries in the Pacific area*

[Million of dollars]

| Country | 1955 | | | | | | 1960 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total exports | Exports to Pacific area | Exports to the United States | Total imports | Imports from Pacific area | Imports from the United States | Total exports | Exports to Pacific area | Exports to the United States | Total imports | Imports from Pacific area | Imports from the United States |
| Australia | 1, 793. 5 | 439. 9 | 126. 3 | 2, 160. 4 | 286. 0 | 263. 0 | 2, 061. 3 | 631. 2 | 136. 0 | 2, 636. 0 | 414. 0 | 488. 0 |
| Burma | 226. 7 | 139. 4 | 1. 2 | 179. 9 | 89. 0 | 5. 2 | 221. 8 | 149. 2 | 0. 7 | 258. 4 | 109. 7 | 9. 8 |
| Cambodia | 40. 1 | 17. 2 | 10. 3 | 47. 6 | 30. 0 | 2. 5 | 69. 9 | 25. 8 | 7. 7 | 95. 2 | 41. 6 | 9. 1 |
| Ceylon | 407. 4 | 67. 9 | 37. 2 | 306. 9 | 129. 1 | 9. 7 | 372. 7 | 58. 5 | 34. 6 | 411. 4 | 224. 8 | 14. 7 |
| China (Taiwan) | 123. 3 | 96. 7 | 5. 4 | 201. 0 | 72. 9 | 95. 5 | 164. 8 | 106. 2 | 18. 9 | 295. 7 | 123. 0 | 113. 1 |
| Hong Kong | 444. 5 | 243. 4 | 20. 7 | 651. 0 | 217. 3 | 57. 1 | 744. 4 | 254. 6 | 133. 6 | 1, 078. 0 | 352. 6 | 126. 1 |
| India | 1, 276. 1 | 284. 5 | 194. 9 | 1, 413. 0 | 276. 5 | 188. 6 | 1, 332. 5 | 279. 1 | 213. 6 | 2, 123. 6 | 311. 3 | 504. 0 |
| Indonesia | 931. 4 | 342. 3 | 163. 6 | 604. 2 | 197. 1 | 95. 5 | 840. 0 | 369. 8 | 194. 2 | 573. 6 | 229. 1 | 89. 3 |
| Japan | 2, 010. 8 | 724. 9 | 457. 1 | 2, 471. 6 | 810. 3 | 774. 0 | 4, 054. 7 | 1, 369. 5 | 1, 107. 5 | 4, 491. 7 | 1, 225. 2 | 1, 554. 2 |
| Korea | 19. 0 | 11. 1 | 6. 1 | 254. 6 | 93. 0 | 127. 0 | 31. 7 | 23. 8 | 3. 7 | 286. 8 | 91. 9 | 118. 3 |
| Laos | 2. 1 | 2. 0 | 0. 1 | 18. 4 | 11. 3 | 1. 1 | 18. 9 | 18. 9 | 0 | 31. 3 | 7. 3 | 1. 6 |
| Malaya and Singapore | 1, 357. 9 | 383. 6 | 236. 4 | 1, 248. 6 | 762. 4 | 48. 6 | 1, 537. 4 | 499. 7 | 173. 6 | 1, 571. 0 | 893. 4 | 62. 7 |
| New Zealand | 724. 8 | 34. 6 | 42. 2 | 801. 8 | 147. 0 | 68. 0 | 847. 0 | 61. 5 | 107. 7 | 783. 7 | 158. 9 | 73. 4 |
| Pakistan | 400. 7 | 115. 6 | 30. 8 | 289. 1 | 66. 3 | 31. 9 | 391. 8 | 113. 6 | 34. 3 | 651. 3 | 120. 8 | 162. 6 |
| Philippines | 400. 7 | 67. 3 | 239. 8 | 640. 6 | 113. 0 | 406. 0 | 537. 8 | 145. 7 | 268. 5 | 713. 0 | 198. 0 | 290. 0 |
| Sarawak | 156. 0 | 106. 7 | 2. 1 | 144. 4 | 20. 9 | 2. 2 | 159. 4 | 133. 6 | . 3 | 145. 1 | 35. 9 | 2. 7 |
| Thailand | 362. 9 | 206. 0 | 104. 7 | 328. 7 | 158. 0 | 57. 3 | 403. 7 | 245. 6 | 57. 2 | 443. 8 | 211. 7 | 75. 5 |
| Vietnam | 69. 2 | 22. 7 | 16. 2 | 263. 2 | 62. 1 | 31. 7 | 85. 9 | 28. 3 | 3. 0 | 239. 8 | 75. 6 | 61. 1 |
| Total | 10, 747. 1 | 3, 305. 8 | 1, 695. 1 | 12, 025. 0 | 3, 542. 2 | 2, 264. 9 | 13, 872. 7 | 4, 514. 6 | 2, 495. 1 | 16, 829. 4 | 4, 824. 8 | 3, 756. 2 |
| Percentage of total trade | 100. 0 | 30. 8 | 15. 8 | 100. 0 | 29. 5 | 18. 8 | 100. 0 | 32. 5 | 18. 0 | 100. 0 | 28. 7 | 22. 3 |

NOTE.—The trade data shown for the Pacific area cover trade among the 18 countries listed. That is, there is a minor amount of trade for smaller countries and territories—chiefly the French and British dependencies—which has not been included for lack of adequate information. Exports are shown f.o.b. and imports c.i.f. (F.o.b. import data for Australia, New Zealand, the Philippines, and Thailand have been adjusted to a c.i.f. basis.)

TABLE 2.—*U.S. trade and aid with the free world Pacific countries*

[Millions of dollars]

| | 1955 | | | | 1960 | | | | 1961 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. exports (including reexports) | U.S. general imports | Trade balance | Economic aid (net) | U.S. exports (including reexports) | U.S. general imports | Trade balance | Economic aid (net) | U.S. exports (including reexports) | U.S. general imports | Trade balance | Economi aid (net) |
| Southern and southeastern Asia: | | | | | | | | | | | | |
| India | 194.1 | 221.4 | −27.3 | 117 | 640.7 | 228.1 | +412.6 | 522 | 482.6 | 252.2 | +230.4 | 369 |
| Pakistan | 59.1 | 30.4 | +28.7 | 67 | 169.9 | 36.0 | +133.9 | 228 | 195.3 | 37.0 | +158.3 | 213 |
| Ceylon | 8.2 | 35.8 | −27.6 | ------ | 14.3 | 38.7 | −24.4 | 7 | 14.9 | 31.4 | −16.5 | 9 |
| Burma | 4.4 | 1.4 | +3.0 | ------ | 8.3 | 1.0 | +7.3 | 13 | 6.8 | 1.2 | +5.6 | 5 |
| Thailand | 51.2 | 104.7 | −53.5 | 16 | 65.4 | 55.5 | +9.9 | 42 | 62.6 | 37.5 | +25.1 | 28 |
| Vietnam | | | | 196 | 53.1 | 4.4 | +48.7 | 185 | 67.1 | 4.6 | +62.5 | 150 |
| Laos | 33.8 | 28.9 | +4.9 | 37 | 1.6 | ------ | +1.6 | 33 | 2.6 | ------ | +2.6 | 50 |
| Cambodia | | | | 28 | 7.0 | 6.6 | +.4 | 25 | 11.3 | 2.3 | +9.0 | 24 |
| Federation of Malaya | 35.6 | 234.1 | −198.5 | ------ | 17.8 | 156.3 | −138.5 | ------ | 23.1 | 149.2 | −126.1 | ------ |
| Singapore and British Borneo | | | | | 41.7 | 19.0 | +22.7 | ------ | 47.3 | 14.7 | +32.6 | ------ |
| Republic of Indonesia | 81.3 | 211.9 | −130.6 | 9 | 85.8 | 216.1 | −130.3 | 45 | 134.1 | 163.1 | −29.0 | 53 |
| Republic of the Philippines | 354.2 | 253.1 | +101.1 | 21 | 297.3 | 306.6 | −9.3 | 23 | 332.8 | 316.5 | +16.3 | 11 |
| Macao | .4 | .5 | −.1 | ------ | .7 | .6 | +.1 | ------ | 1.6 | .8 | +.8 | ------ |
| Portuguese Asia, not elsewhere classified | 1.3 | .5 | +.8 | ------ | 1.4 | 1.1 | +.3 | ------ | 3.2 | .9 | +2.3 | ------ |
| Southern and southeastern Asia, not elsewhere classified | .4 | .1 | +.3 | ------ | .2 | ------ | +.2 | ------ | .3 | ------ | +.3 | ------ |
| Subtotal | 824.0 | 1,122.8 | −298.8 | 491 | 1,405.2 | 1,070.0 | +335.2 | 1,123 | 1,385.6 | 1,011.4 | +374.2 | 912 |
| Eastern Asia: | | | | | | | | | | | | |
| Republic of Korea | 127.3 | 6.1 | +121.2 | 269 | 153.2 | 5.2 | +148.0 | 255 | 162.4 | 7.2 | +155.2 | 220 |
| Hong Kong | 49.9 | 15.3 | +34.6 | ------ | 122.5 | 138.8 | −16.3 | 5 | 127.9 | 122.4 | +5.5 | 5 |
| Taiwan (Formosa) | 111.5 | 6.4 | +105.1 | 107 | 110.7 | 20.5 | +90.2 | 109 | 135.7 | 43.2 | +92.5 | 118 |
| Japan | 650.9 | 431.9 | +219.0 | 27 | 1,341.3 | 1,148.7 | +192.6 | 17 | 1,739.3 | 1,054.7 | +684.6 | 26 |
| Nansei and Nanpo Islands | 14.5 | ------ | +14.5 | | 22.0 | 2.5 | +19.5 | 9 | 24.4 | 4.5 | +19.9 | 4 |
| Subtotal | 954.1 | 459.7 | +494.4 | 403 | 1,749.7 | 1,315.7 | +434.0 | 395 | 2,189.7 | 1,232.0 | +957.7 | 373 |
| Australia and Oceania: | | | | | | | | | | | | |
| Australia | 211.0 | 126.4 | +84.6 | ------ | 387.1 | 142.1 | +245.0 | −3 | 318.2 | 183.7 | +134.5 | 18 |
| New Guinea | 1.2 | .7 | +.5 | ------ | .9 | .7 | +.2 | ------ | 1.0 | .7 | +.3 | ------ |
| New Zealand (including Western Samoa) | 54.6 | 43.6 | +11.0 | ------ | 74.7 | 119.0 | −44.3 | ------ | 68.4 | 129.6 | −61.2 | ------ |
| British Western Pacific Islands | .4 | .6 | −.2 | ------ | 1.0 | 2.1 | −1.1 | ------ | .8 | 3.0 | −2.2 | ------ |
| French Pacific Islands | 5.2 | 1.7 | +3.5 | ------ | 7.5 | .5 | +7.0 | ------ | 8.4 | .8 | +7.6 | ------ |
| Trust Territory of the Pacific Islands | 1.2 | .5 | +.7 | ------ | 3.7 | 2.0 | +1.7 | 5 | 4.1 | 2.3 | +1.8 | 6 |
| Subtotal | 273.6 | 173.5 | +100.1 | ------ | 474.9 | 266.4 | +208.5 | 2 | 400.9 | 320.1 | +80.8 | 24 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other Pacific unspecified | ---------- | ---------- | ---------- | 10 | ---------- | ---------- | ---------- | 14 | ---------- | ---------- | ---------- | 15 |
| Total U.S. trade with Pacific area | 2,051.7 | 1,756.0 | +295.7 | 904 | 3,629.8 | 2,652.1 | +977.7 | 1,534 | 3,976.2 | 2,563.5 | +1,412.7 | 1,324 |
| Total U.S. trade worldwide | 13,956.8 | 11,491.0 | +2,465.8 | 2,139 | 18,892.4 | 15,017.0 | +3,875.4 | 2,606 | 19,104.9 | 14,720.0 | +4,384.9 | 2,539 |
| Pacific area share of total U.S. trade and aid (percent) | 14.7 | 15.3 | 12.0 | 42.3 | 19.2 | 17.7 | 25.2 | 58.9 | 20.8 | 17.4 | 32.2 | 52.1 |

NOTE.—The economic aid data shown include AID assistance, Ex-Im Bank loans, sales of surplus agricultural products for soft currencies, etc., and are net of repayments.

Source: Department of Commerce, Foreign Grants and Credits by the U.S. Government.

Export data do not include military and other strategic shipments (i.e. special categories I and II). Source: Department of Commerce: Reports FT 120 and FT 420 for years 1955, 1960, and 1962; and World Trade Information Service Statistical Reports.

TABLE 3.—*West coast port activity, tonnage, and value of waterborne imports and exports through U.S. Pacific ports, 1955, 1960, and 1961*

| Port | 1955 | | | 1960 | | | 1961 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Imports | Exports | Total | Imports | Exports | Total | Imports | Exports | Total |
| Tonnage, in millions of pounds: | | | | | | | | | |
| Los Angeles | 3,452 | 6,332 | 9,784 | 10,080 | 6,237 | 16,317 | 13,034 | 5,952 | 18,986 |
| Long Beach | 1,576 | 4,517 | 6,093 | 6,362 | 4,630 | 10,992 | 6,352 | 5,640 | 11,992 |
| San Francisco | 1,709 | 1,599 | 3,308 | 2,102 | 1,096 | 3,198 | 2,125 | 1,225 | 3,350 |
| Stockton | 141 | 1,161 | 1,302 | 208 | 3,269 | 3,477 | 288 | 3,265 | 3,553 |
| Portland | 299 | 2,456 | 2,755 | 1,098 | 5,590 | 6,688 | 1,298 | 5,524 | 6,822 |
| Seattle | 1,311 | 1,387 | 2,698 | 1,955 | 2,536 | 4,491 | 1,548 | 2,359 | 3,907 |
| Other west coast ports | 9,487 | 10,068 | 19,555 | 23,617 | 18,967 | 42,584 | 18,596 | 16,146 | 34,742 |
| Total, west coast ports | 17,975 | 27,520 | 45,495 | 45,422 | 42,325 | 87,747 | 43,241 | 40,111 | 83,352 |
| Hawaii | 326 | 108 | 434 | 1,257 | 277 | 1,534 | 3,803 | 236 | 4,039 |
| Alaska | 5 | 39 | 44 | 86 | 257 | 343 | 54 | 389 | 443 |
| Total U.S. waterborne trade | 305,456 | 234,373 | 539,829 | 421,545 | 253,302 | 674,847 | 400,013 | 258,083 | 658,096 |
| Value, in millions of dollars: | | | | | | | | | |
| Los Angeles | 254 | 220 | 474 | 427 | 277 | 704 | 415 | 262 | 677 |
| Long Beach | 65 | 157 | 222 | 208 | 178 | 386 | 233 | 202 | 435 |
| San Francisco | 317 | 239 | 556 | 405 | 302 | 707 | 390 | 317 | 707 |
| Stockton | 3 | 43 | 46 | 17 | 95 | 112 | 17 | 103 | 120 |
| Portland | 45 | 91 | 136 | 75 | 201 | 276 | 68 | 204 | 272 |
| Seattle | 64 | 66 | 130 | 105 | 108 | 213 | 82 | 119 | 201 |
| Other west coast ports | 160 | 412 | 572 | 298 | 627 | 925 | 235 | 561 | 796 |
| Total, west coast ports | 908 | 1,228 | 2,136 | 1,535 | 1,788 | 3,323 | 1,440 | 1,768 | 3,208 |
| Hawaii | 15 | 8 | 23 | 44 | 19 | 63 | 56 | 18 | 74 |
| Alaska | 1 | 2 | 3 | 5 | 16 | 21 | 3 | 22 | 25 |
| Total, U.S. waterborne trade | 8,855 | 10,032 | 18,887 | 11,600 | 13,818 | 25,418 | 10,988 | 13,995 | 24,983 |

TABLE 4.—*Commodities important in U.S. imports from the Pacific area (in millions of dollars)*

| Commodity | 1955 | | | 1960 | | | 1961 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total U.S. imports | U.S. imports from Pacific area | Percentage from Pacific area | Total U.S. imports | U.S. imports from Pacific area | Percentage from Pacific area | Total U.S. imports | U.S. imports from Pacific area | Percentage from Pacific area |
| Tea | 64.8 | 58.8 | 90.7 | 56.4 | 48.2 | 85.5 | 54.3 | 46.7 | 86.0 |
| Sugar and related products | 469.3 | 110.6 | 23.6 | 570.4 | 126.3 | 22.1 | 507.5 | 196.3 | 38.7 |
| Rubber and allied gums and manufactures | 462.5 | 405.4 | 87.6 | 468.4 | 373.0 | 79.6 | 342.3 | 254.7 | 74.4 |
| Oil seeds | 55.0 | 45.7 | 83.1 | 68.1 | 63.5 | 93.2 | 55.2 | 50.1 | 90.8 |
| Expressed or extracted vegetable oils and fats | 72.5 | 26.2 | 36.1 | 60.3 | 23.7 | 39.3 | 55.5 | 18.9 | 34.0 |
| Textile fibers and manufactures | 993.6 | 397.1 | 40.0 | 1,237.2 | 634.2 | 51.3 | 1,179.9 | 596.6 | 50.6 |
| Unmanufactured wool | 260.6 | 106.0 | 40.7 | 208.3 | 77.4 | 37.2 | 197.7 | 82.9 | 41.9 |
| Wood and paper | 665.0 | 70.3 | 10.6 | 1,645.0 | 136.6 | 8.3 | 1,636.1 | 120.0 | 7.3 |
| Petroleum and products | 1,031.8 | 26.2 | 2.5 | 1,543.1 | 59.7 | 3.9 | 1,615.9 | 53.1 | 3.3 |
| Tin | 178.8 | 112.7 | 63.0 | 119.0 | 97.1 | 81.6 | 120.1 | 101.8 | 84.8 |
| Total, above commodities | 3,993.3 | 1,253.0 | 31.4 | 5,767.9 | 1,562.3 | 27.1 | 5,566.8 | 1,438.2 | 25.8 |
| Total, U.S. imports, all commodities | 11,491.0 | 1,756.0 | 15.3 | 15,017.0 | 2,652.1 | 17.7 | 14,720.0 | 2,563.5 | 17.4 |

TABLE 5.—*Commodities important in U.S. exports to the Pacific area (in millions of dollars)*

| Commodity | 1955 | | | 1960 | | | 1961 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total U.S. exports | Exports to Pacific area | Percentage to Pacific area | Total U.S. exports | Exports to Pacific area | Percentage to Pacific area | Total U.S. exports | Exports to Pacific area | Percentage to Pacific area |
| Textile fibers and manufactures | 1,103.3 | 315.1 | 28.5 | 1,698.6 | 534.6 | 31.5 | 1,583.1 | 619.5 | 39.1 |
| Unmanufactured cotton | 477.0 | 187.9 | 39.3 | 987.7 | 418.7 | 42.4 | 884.2 | 409.8 | 46.3 |
| Wood and paper | 439.4 | 61.3 | 14.0 | 612.2 | 111.5 | 18.2 | 694.6 | 139.0 | 20.0 |
| Machinery and vehicles | 4,329.2 | 535.3 | 12.4 | 6,046.9 | 821.7 | 13.6 | 6,164.3 | 958.2 | 15.5 |
| Chemicals and related products | 1,075.4 | 172.1 | 16.0 | 1,661.0 | 317.0 | 19.1 | 1,708.8 | 355.7 | 20.8 |
| Total, above commodities | 6,947.3 | 1,083.8 | 15.6 | 10,118.7 | 1,784.8 | 17.6 | 10,150.8 | 2,072.4 | 20.4 |
| Total, U.S. exports, all commodities | 13,956.8 | 2,051.7 | 14.7 | 18,892.4 | 3,629.8 | 19.2 | 19,104.9 | 3,976.2 | 20.8 |

NOTE.—Data exclude military aid and other strategic exports (i.e., categories I and II). Shipments financed through economic aid and agricultural surplus disposal programs are included.

TABLE 6.—*The status of economic development in the Pacific area*

| Country | Population (millions, 1961) | Annual growth of population | Area, thousands of square miles | Per capita gross national product (1961 in 1960 dollars) | Per capita exports (1960 dollars) | Electric power per capita (kilowatt hours per year) | Literacy (percent) | Life expectancy (years) | Currency conversion per 1 U.S. dollar |
|---|---|---|---|---|---|---|---|---|---|
| Australia | 10.5 | 2.2 | 2,975.0 | [1] 1,508 | 200.61 | 2,420 | 98 | 68 | 0.4474 Australian pounds. |
| Burma | 21.5 | 1.8 | 262.0 | 56 | 10.73 | 18 | 60 | 35 | 4.76 kyats. |
| Cambodia | 5.0 | 2.2 | 67.0 | 106 | 14.12 | 12 | 50 | 30 | 35 riels. |
| Ceylon | 10.2 | 2.8 | 25.0 | 133 | 37.66 | 32 | 70 | 60 | 4.762 rupees. |
| China (Taiwan) | 12.0 | 3.5 | 14.0 | 140 | 15.53 | 350 | 90 | 63 | 40 New Taiwan dollars. |
| Hong Kong | 3.2 | 5.2 | .4 | [1] 345 | 249.71 | 420 | 55 | (2) | 5.7 Hong Kong dollars. |
| India | 440.3 | 2.3 | 1,270.0 | 81 | 3.08 | 38 | 24 | 42 | 4.762. |
| Indonesia | 95.2 | 2.3 | 576.0 | 68 | 9.07 | 22 | 60 | 32 | 45 rupiah. |
| Japan | 94.1 | 1.0 | 143.0 | 450 | 43.51 | 1,290 | 95 | 68 | 360 yen. |
| Korea | 25.4 | 2.5 | 37.0 | 65 | 1.29 | 70 | 47 | (2) | 130 hwan. |
| Laos | 1.9 | 1.5 | 91.0 | 60 | 10.47 | 5 | 15 | 30 | 80 kip. |
| Malaya | 7.1 | 3.2 | 51.0 | 285 | 98.02 | 170 | 51 | 59 | 3.06 Malayan $. |
| New Zealand | 2.4 | 2.2 | 104.0 | [1] 1,545 | 357.08 | 3,050 | 98 | 68 | 0.3608 New Zealand pounds. |
| Pakistan | 94.6 | 2.2 | 365.0 | 69 | 3.69 | 38 | 15 | 30 | 4.762 rupees. |
| Philippines | 28.7 | 3.2 | 116.0 | 143 | 19.35 | 90 | 75 | 55 | 3 pesos. |
| Ryukyus | .9 | 2.3 | .8 | [3] 200 | 51.00 | (2) | (2) | (2) | |
| Singapore | 1.7 | 4.2 | .2 | [1] 411 | 526.44 | 420 | 67 | (2) | 3.06 Malayan dollars. |
| Thailand | 27.2 | 3.0 | 198.0 | 96 | 15.37 | 24 | 60 | 40 | 21 baht. |
| Vietnam | 14.5 | 2.4 | 66.0 | 86 | 6.09 | 21 | 20–40 | 35 | 60 piasters. |
| Total of above | 896.4 | 2.2 | 6,361.0 | 144 | 15.13 | 212 | 42 | 43 | |
| United States of America | 183.6 | 1.7 | 3,615.0 | 2,838 | [4] 113.35 | 4,578 | 98 | 70 | |

[1] 1960 data.
[2] Not available.
[3] Estimated.
[4] Includes military aid goods and strategic shipments, i.e., category I and II exports.

TABLE 7.—*Trade of countries of Asia with the Sino-Soviet bloc, 1955, 1960, and 1961*

[In millions of U.S. dollars]

| Country | Exports to bloc | | | Imports from bloc | | |
|---|---|---|---|---|---|---|
| | 1955 | 1960 | 1961 [1] | 1955 | 1960 | 1961 [1] |
| Australia | 39 | 97 | 222 | 14 | 23 | 19 |
| Burma | 43 | 13 | 54 | 4 | 35 | 26 |
| Cambodia | (2) | 7 | 4 | (3) | 14 | 12 |
| Ceylon | 26 | 38 | 34 | 18 | 32 | 18 |
| Hong Kong | 32 | 23 | 19 | 156 | 215 | 190 |
| India | 28 | 108 | 115 | 25 | 74 | 125 |
| Indonesia | 34 | 70 | 69 | 40 | 72 | 69 |
| Japan | 39 | 73 | 103 | 89 | 125 | 217 |
| Malaya-Singapore | 16 | 144 | 129 | 42 | 64 | 67 |
| New Zealand | 19 | 29 | 20 | 2 | 3 | 4 |
| Pakistan | 37 | 31 | 27 | 3 | 15 | 11 |
| Thailand | (3) | 9 | 2 | 1 | 6 | 6 |
| Total | 313 | 642 | 798 | 394 | 678 | 764 |

[1] Preliminary estimates.
[2] Not reported.
[3] Less than $500,000.

Senator ENGLE. The committee stands adjourned until tomorrow morning at 10 o'clock.

(Whereupon, at 12 noon, the committee adjourned, to reconvene at 10 o'clock the following morning.)

90415—62——4

# PACIFIC TRADE PATTERNS

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**WEDNESDAY, AUGUST 29, 1962**

U.S. SENATE,
COMMITTEE ON COMMERCE,
*Washington, D.C.*

The committee met at 10:05 a.m., in room 5110, New Senate Office Building, Hon. Clair Engle presiding.

Senator ENGLE. The committee will be in order for the continuation of the Pacific trade hearings.

This morning we are continuing hearings on trade patterns among free world nations in Asia and the southeast Pacific. Our interest, of course, is in determining the present flow of trade in the Pacific Ocean area, and what might be done to stimulate and increase commercial contacts within this area and also between this area and other regions.

During the past few years, extraordinary events have occurred in Western Europe. The growth of the Common Market and those nations now seeking to join or associate with it has been of no little concern to the United States, representing, at one and the same time, an encouraging strengthening of the economies of our military allies and an unprecedented commercial challenge to this Nation.

But we cannot make the fatal error of directing all of our attention to Europe. Our allies and friends in the Pacific are of equal importance to our military and economic strength. Japan, for example, is our second biggest customer, following only Canada. The Philippines, Formosa, and other free world Asian nations also serve in this double role of ally and partner. Our fortunes are similarly closely bound to those of Australia and New Zealand.

Yesterday we heard testimony from Governor Harriman and other officials of the State Department, who told us of the economic developments in the Pacific area, and of the agencies and organizations which are working in this region.

The newly developing nations in this area which are attempting to maintain democratic governments in the face of overwhelming odds deserve and will continue to get our interest and support. It has been truly stated that trade and aid go hand in hand, and increasing our trade with these nations materially benefits both sides.

Therefore, I feel that it is appropriate for the Committee on Commerce to explore today with witnesses from the Commerce Department the actual trade situation in the Pacific area, focusing attention on our interest in this region, and seeking ways and means of promoting the orderly flow of commerce, not only with the United States, but with the entire free world.

Our witness this morning is the Honorable Jack N. Behrman, Assistant Secretary of Commerce for International Affairs.

I understand, Mr. Secretary, that you are accompanied by Mr. William B. Dale, Deputy Assistant Secretary for International Affairs, and Eugene M. Braderman, Director of the Bureau of International Programs.

## STATEMENT OF JACK N. BEHRMAN, ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS, DEPARTMENT OF COMMERCE, WASHINGTON, D.C.; ACCOMPANIED BY WILLIAM B. DALE, DEPUTY ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS, AND EUGENE M. BRADERMAN, DIRECTOR OF THE BUREAU OF INTERNATIONAL PROGRAMS

Mr. Behrman. That is right, Mr. Chairman. I also have brought some of the personnel directly responsible for these areas in our office, if they would join us, Mr. Kaplan, British Commonwealth Division, Mr. Baran for the Far East, Mr. Sethian, Middle East and South Asia.

Senator Engle. Mr. Secretary, do you have a prepared statement?

Mr. Behrman. Yes, I do, Mr. Chairman, which I would like to submit for the record and summarize it more briefly, if I may.

Senator Engle. Without objection, the statement will be made a part of the record as if read. You may proceed in your own way to summarize it.

(The statement follows:)

### Statement by Jack N. Behrman, Assistant Secretary of Commerce for International Affairs Before the Senate Committee on Commerce

#### IMPORTANCE OF ASIA AND SOUTHWEST PACIFIC FOR U.S. TRADE

The non-Communist countries of Asia [1] and the southwest Pacific [2] represent an area of great economic and commercial importance to the United States. A population of 920 million people living in a vast area (of over 19 million square kilometers) stretching from Iran in the west to Japan in the east and Australia and New Zealand in the south constitutes an enormous market for American goods and services. Its potential for a further substantial expansion as a market is very great over the long term. The countries of Asia and the southwest Pacific are also important suppliers of vitally needed raw materials and manufactured goods which contribute materially to the satisfaction of our economic needs and to our own well-being.

The area of non-Communist Asia and the southwest Pacific represents a picture of striking contrasts in endowment of natural resources, levels of economic development, and trading interests. Among the Asian countries, the highly developed economy of Japan represents one of the world's most important and most dynamic industrial workshops. Expanding at an average annual rate of economic growth of between 9 to 10 percent during the past decade, Japan today has become one of the world's largest producers of ships, machinery, steel, consumer goods of all kinds, and many other manufactured goods. But the vast majority of the Asian countries has only recently emerged from economic stagnation and embarked on a program of economic development; per capita real national incomes in many Asian countries remain low and progress in economic growth is barely sufficient to keep up with the rapidly expanding population. Nevertheless, since the end of the war, and with the attainment of political independence, the expectations of the Asian countries for rapid economic development and their quest for higher standards of living have become dominant policy objectives and have revolutionized their economic and social structure.

[1] Afghanistan, Burma, Cambodia, Ceylon, Hong Kong, India, Indonesia, Iran, Japan, Korea, Laos Malaya, Nepal, Pakistan, Philippines, Singapore, British Borneo, Taiwan, Thailand, and Vietnam.
[2] Australia and New Zealand.

However, the short-term export potential of the underdeveloped countries of Asia is limited. Domestic production in many of the less developed countries of non-Communist Asia is neither sufficiently large nor sufficiently competitive to provide substantial export opportunities except in certain primary products of agriculture or mining in which the exports of many of the less developed countries tend to be heavily concentrated.

In primary products, the Asian countries are important suppliers to the world: Almost 90 percent of the world's natural rubber, more than 60 percent of the world's tin, and substantial shares of the world's output of oil, wool, sugar, copra, hemp, jute, cotton, pepper, and many other products are supplied by the countries of Asia and the southwest Pacific.

Low levels of per capita real income in the underdeveloped areas of Asia have limited the market potential for U.S. goods, but the requirements of development projects and the needs of an increasing population have, nevertheless, necessitated a rapid increase in imports. As economic development progresses, the import requirements of the underdeveloped countries are bound to expand further. The prospects for a further substantial expansion of the market for U.S. goods in non-Communist Asia and the southwest Pacific are therefore excellent over a period of time.

Japan, the most highly developed country in the area, is of course a special case. Japan has been one of our foremost markets for some time. If the extraordinary economic expansion of Japanese production and incomes continues—and the indications are that Japan's economy will continue to expand at a substantial rate—Japanese requirements for goods and services which the United States can supply will also continue to expand.

We view the potential for trade expansion with the underdeveloped areas of Asia as promising. As their economic development gains momentum and their per capita incomes rise, import requirements will increase. However, the gap between rising import requirements related to development projects and the needs of an expanding population on the one hand, and stagnant export receipts, on the other hand, constitutes one of the most urgent and most serious economic problems of the less developed countries of the area today.

### U.S. TRADE WITH THE PACIFIC AREA

U.S. trade with the countries of Asia and the southwest Pacific has increased substantially in the past several years. As a market for our exports, Asia and the southwest Pacific region was surpassed only by Western Europe in 1961, when we sold over $4 billion worth of goods, or 21 percent of our export total to the area. In 1959, the area bought 17 percent, in 1960, 20 percent of our total exports.

Asia and the southwest Pacific region is important also as a major supplier of our imports. It provided between 17 and 18 percent of our total imports in the past 3 years, against 27 to 28 percent of total imports received from Western Europe.

Asia and the southwest Pacific areas are major markets for several of our important products. Last year, they took approximately one-sixth of our exports of machinery, one-fifth of our chemical exports, one-fourth of our grain, and almost half of cour cotton shipments abroad.

As to individual countries, our principal markets are Japan, Australia, India, Malaya, and the Philippines. Japan, alone, took 9 percent of our total exports in 1961—about half as much as did the entire Common Market. We are also a major market for them. For example, in 1961 we took about 25 percent of Japan's total exports, 55 percent of those of the Philippines, 19 percent of India's, 13 percent of Malaya's, and 9 percent of Australia's.

Statistics in support of these statements are attached to my prepared text, as is a table showing the trade of each country in the area with the Sino-Soviet bloc and with us. In summary, we provided about 29 percent of the area's total imports, as against 4 percent coming from the bloc; and we take about 18 percent of the area's exports, as against 5 percent going to the bloc.

### DEVELOPMENTS IN TRADE COOPERATION

Despite the diversity of their economic and commercial interests, the countries of Asia and the southwest Pacific have taken numerous steps toward greater technical, economic, and commercial cooperation. These cooperative efforts have been undertaken in part through regional organizations such as the Colombo plan, which is chiefly designed to supply technical assistance, and through the

U.N. Economic Commission for Asia and the Far East (ECAFE), and in part through other arrangements.

Projects designed to promote technical, economic, and commercial cooperation among the Asian countries have held high priority in the work of the U.N. Economic Commission for Asia and the Far East. The construction of an Asian highway and the planning and investigation of water resources development projects in the lower Mekong Valley are outstanding examples of broad regional cooperation of a large number of ECAFE member countries. The Mekong River Valley development, for instance, encompasses a broad range of projects related to navigation, irrigation, flood control, hydroelectric power generation, mineral explorations, and other activities designed to promote the development of the area along the pattern of the TVA.

The generally low level of economic development of the majority of Asian countries, the heavy dependence of their exports on a few primary commodities, largely to countries outside the area, and the need for imports of manufactured goods, largely from countries outside the area, do not appear to provide a basis for close regional trade cooperation or a customs union on the European or Latin American model. However, there are considerable opportunities for trade cooperation in the area on a less ambitious scale. The organization of an Asian trade fair which has been scheduled to take place in Karachi in 1963, the setting up of regional seminars and a regional training center on trade promotion, the periodic discussions under the sponsorship of the ECAFE organization on intra-regional trade promotion, the annual conference of the Committee on Trade as part of the ECAFE program of activities, are examples of the many fruitful cooperative efforts of the Asian countries in furthering their objectives of increased trade among themselves and with the rest of the world.

Furthermore, significant steps toward the formation of subregional groupings, for the purpose of closer economic and political cooperation, have recently been taken in southeast Asia. The confederation of the five countries of Malaya, Singapore, Brunei, Sarawak, and North Borneo in a Federation of Malaysia, scheduled for implementation in 1963, will remove political and economic barriers which now divide the more than 10 million people of the Malaysian area, and will undoubtedly enhance the growth potential of the area and its contribution to world trade. The five areas will form a complete economic and political union.

Because of its rubber and tin based prosperity, Malaya has been the target for increasing American trade and investment. American exports to the whole area which will comprise Malaysia were US$70 million in 1961, and are expected to increase considerably as the "opening up" of the Borneo territories and the expanding industrialization of Malaya and Singapore continue to demand more and more industrial, capital, and construction goods.

Malaysia will also offer excellent opportunities for American investment. Inducements such as the Pioneer Industries Act (providing relief from income tax for up to 5 years), free repatriation of profits and dividends, free convertibility of funds, an investment guarantee program with the United States and a government dedicated to the free-enterprise way of doing business, all serve to make Malaya at present and the new Malaysia in the uear future a profitable place to do business.

A second subregional grouping—the Association of Southeast Asia (ASA)—has also recently been set up. This association comprises Malaya, the Philippines, and Thailand. The Bangkok Declaration of July 31, 1962, officially inaugurated the Association as a system of cooperation concentrating on economic, cultural, and social matters, to be accomplished through joint and cooperative projects in professional, technical, and administrative training, better utilization of natural and financial resources, and commodity price stabilization. A few projects have already been put into operation, such as an exchange of agricultural experts.

At this point I believe it will be appropriate to examine in somewhat closer detail the situation in some of our major trading partners in the Pacific area.

*Japan*

Japan is our second most important market after Canada. In 1961 the United States sold Japan goods valued at $1.7 billion or 8 percent of total exports. It has ranked second or third among U.S. markets for 8 of the past 10 years. Japan also ranks second in importance to Canada as a supplier, furnishing 7 percent of our total imports in 1961. In that year the United States purchased Japanese merchandise valued at more than $1 billion resulting in a balance in our favor of $685 million. Over the past 6 years (1956–61) the United States has sold to Japan about $2 billion more merchandise than it imported from Japan. Moreover, the United States is Japan's largest foreign market and source of supply.

The potential for increased U.S. sales to the rapidly expanding economy of Japan is great and is contingent in part upon the further relaxation of import restrictions and continued improvement in Japan's balance of payments position for its achievement.

The present mutually profitable trade levels have been achieved largely because of systematic trade promotion efforts on the part of both countries. In addition to the usual trade expansion techniques, another important stimulus to increased trade is the exchange of technical know-how through approximately 1,000 licensing agreements between United States and Japanese firms. Further, U.S. direct investments in Japan amounting to $310 million at the end of 1961 have benefited the economies of both countries. International and U.S. lending agencies have also contributed to the high level of United States-Japan trade. Financing of imported equipment in capital-short Japan has been assisted by loans from the IBRD (nearly $500 million) and by the Export-Import Bank (exporter credits, $165 million, and loans for the purchase of U.S. cotton, $769 million).

Considering the magnitude of the trade between Japan and the United States, relatively few problems have developed. However, because of Japan's import restrictions, U.S. exports of certain commodities have not expanded as rapidly as we would wish. Immediately following the war Japan imposed restrictions on imports and foreign investments to insure effective use of its limited foreign exchange resources. Because of recurring balance-of-payments problems, as well as a reluctance to force certain industries to meet world competition, Japan has maintained import restrictions (which it is still technically qualified to do under article XIV of the IMF agreement) on approximately 30 percent of its import trade based on 1959 statistics. It has committed itself to 90 percent liberalization by October 1962 but will retain controls on such items as automobiles, large electronic computers, aircraft, copper, lead, and zinc. We have strongly urged and continue to urge Japan to remove these import restrictions as soon as its improving balance-of-payments position permits.

Another problem which has received the attention of both Japan and the United States is the orderly marketing of "sensitive" commodities such as textiles, plywood, stainless steel flatware, chinaware, canned and frozen tuna, and about 20 other items. A multilateral solution to the cotton textile import problem has been worked out under the auspices of the GATT (General Agreement on Tariffs and Trade). Trade in the other problem items has been controlled by the Japanese Government through its export quota and licensing system, a corrective action taken by Japan to forestall the imposition of U.S. import restrictions.

After the United States, southeast Asia is the second most important area in Japan's trade. In 1961 southeast Asia supplied 12.6 percent of Japan's total imports of $5.8 billion (c.i.f.) and accounted for 24.4 percent of Japan's total exports of $4.2 billion (f.o.b.). Oceania (largely Australia and New Zealand) accounted for an additional 9.1 percent of Japan's imports and 3.2 percent of Japan's exports.

In addition to usual trade promotion methods, reparations commitments by Japan totaling $1.2 billion to Burma, the Philippines, Indonesia, and Vietnam generate present and future trade with these countries for Japan. Japan's Export-Import Bank has extended loans to finance capital equipment exports to the less developed countries of southeast Asia. Japan has participated in the IBRD-sponsored consortia for India and Pakistan and is a donor nation in the economic development assistance programs sponsored by the Development Assistance Committee (DAC) of the OECD. Private investment, particularly that resulting in the development of raw materials, and technical assistance have been growing.

*India*

India is in the third in a series of 5-year plans for economic development which are making that country a more attractive market for a wider range of U.S. goods. Potentially, it is one of the greatest mass markets in the world, with its population of 450 million which is growing by about 9 million each year. For the next few years, opportunities will continue to open up for sales of industrial goods.

The 5-year plans have generated a greatly increased demand for imported capital goods and industrial raw materials. Imports accounted almost entirely for the increase in India's total trade from $2.3 billion in 1950 to $3.5 billion in 1961; exports were virtually stagnant, generally ranging between $1.2 and $1.3 billion annually. The resulting trade deficits put a severe strain on India's external resources and she has been dependent on external assistance to maintain imports at levels sufficient for economic growth. Also, India has resorted to an increasingly restrictive import licensing policy to ration available exchange to those essential items.

Traditionally, the United Kingdom is India's principal supplier, generally supplying 20 to 25 percent of India's imports. Since 1958, however, U.S. exports have exceeded those from the United Kingdom, because of large-scale shipments of U.S. surplus commodities under Public Law 480. U.S. commercial sales to India (excluding Public Law 480) have ranged between 10 and 15 percent of India's imports. Western European countries gained most from the increment in India's imports, raising their share of the total from 8.9 percent in 1951 to 18.3 percent in 1961.

The principal items of U.S. commercial export to India are iron and steel mill products, industrial and electrical machinery, construction, excavating, and mining machinery, railway transport equipment, agricultural insecticides, and industrial raw materials, all of which have high priority in India's import program. India's import restrictions are inhibiting factors for all exporters, including those of the United States but there is no discrimination against U.S. goods, and suppliers must meet the competition. For some categories of capital goods, most notably construction, excavating, and mining machinery, the United States is in a favorably competitive position.

The large-scale U.S. aid program for India's third plan (April 1961–March 1966) affords an important vehicle for U.S. exports. The U.S. commitment of $980 million for 1961–63 will finance Indian purchases of U.S. diesel locomotives, construction, excavating, and mining machinery, machinery for the fertilizer industry, textile machinery, pulpmaking and papermaking machinery, other industrial machinery, synthetic rubber, tire cord yarn, carbon black, woodpulp, sulfur, calcined petroleum coke, auto and truck components and spares, cellulose acetate, machine tools, compressors, rollers for steel plants, nonferrous metals, and other industrial raw materials and components.

A second vehicle for U.S. exporters is bidding in international competition on projects financed by global procurement loans from the IBRD and the IDA. These agencies so far in the third plan have extended $298.5 million in loans for railways, highways, coal mining, irrigation, port, and electric power development.

Finally, during the third plan, India will be in the market for imports of over $7.5 billion in replacement machinery, components, spares, and industrial raw materials to be financed from its own exchange earnings.

As a technique of selling U.S. goods otherwise shut out by exchange restrictions, more and more American businessmen have been gaining access to the developing Indian market by engaging in manufacturing operations there through investment in joint ventures or licensing arrangements with Indian firms.

*Philippines*

After Japan and India, the Philippines are the most important trading partner of the United States in Asia. In 1961 United States exports to the Philippines, totaling $332.9 million, represented 1.6 percent of total U.S. exports. United States imports from the Philippines of $316.5 million comprised 2.2 percent of total U.S. imports.

The United States share of the Philippine market, while still high, has been declining, as a result of Japanese and European competition, and the declining level of tariff preferences for U.S. goods. With the January 1962 decontrol on trade and investment, future United States sales to the Philippines should register considerably increases. The Department of Commerce, in efforts to win a larger share of the Philippine market, is giving increasing attention to the use of promotional activities in that area, including a trade mission for October of this year.

The Philippines, which has an American business community of approximately 10,000 people, has attracted more U.S. capital than any other country in Asia. U.S. direct investments in the Philippines have increased from $149 million in 1950 to $439 million in 1961. The Macapagal administration is seeking additional foreign investments in certain areas of development and has substantially liberalized the investment climate. This favorable climate has attracted a number of U.S. and other foreign investors. In August of this year, for example, General Electric signed a joint venture agreement with a Philippine firm to manufacture GE's general line of appliances in the Philippines for the domestic market and for possible export to other countries of Asia. Reynolds Aluminum is actively considering a $30 million investment in an aluminum smelter and has applied for an AID investment guarantee. German, Italian, and Japanese capital has also been active.

The revised United States-Philippine Trade Agreement promotes and protects commercial relations between these two countries. The agreement, ratified in 1946 and revised in 1955, guarantees United States businesses in the Philippines national treatment in the development of natural resources and nondiscriminatory business treatment. During the previous Philippine administration, numerous complaints alleging discrimination against U.S. businesses were received. The so-called "Filipino first" policy which resulted in this discriminatory treatment has been publicly repudiated by President Macapagal. The revised trade agreement also provides for mutual preferential tariff treatment through 1973, the expiration date of the agreement. (At the present time Philippine imports enter the United States at 20 percent of the "most favored nation" rate, while U.S. products are dutiable at 75 percent of the Philippine tariff. In 1964 through 1973 U.S. products will pay 90 percent of the Philippine tariff.)

Recent United States problems with the Philippines include the Philippine Government's impounding of American tobacco, still awaiting release, and the substantially increased import traiffs on certain textiles. The Department of Commerce, jointly with the Department of State, has been actively engaged in bringing about a solution to these and other problems.

*Australia*

Australia differs economically as well as culturally from other countries of Asia. It is, like nearly all the others, primarily a producer and exporter of primary products. Its trade and financial ties are to a large extent with the United States and Europe. It has one of the highest standards of living in the world.

All of this means business, good export markets, for American manufacturers and farmers. Australia, with a population of only 10½ million, ranked 14th among the U.S. oversea customers taking nearly $320 million of our goods last year, none of it financed by our aid programs. Australia outranks Sweden, Switzerland, and the Union of South Africa as an export market; it compares favorably with India and the Philippines, our Nos. 2 and 3 Far Eastern markets, which do receive American economic aid. Australia buys mainly machinery and materials for industry from us to support its ever broadening industrial base, much of which involves some American investment. Australia also buys substantial quantities of U.S. cotton and tobacco and a relatively small quantity but wide variety of U.S.-made consumer goods.

And yet only about one-fifth of the Australian market for imports, a market which has averaged about $1½ to $2 billion a year in recent years, is supplied by the United States. We are Australia's second largest supplier; Britain, favored by tradition, financial, commercial, and industrial connections, and tariff preferences which provide advantages of from 7½ to 30 percent on many manufactured items, has long been Australia's principal supplier. Japan and the Common Market countries, led by Germany, also provide stiff competition for U.S. exporters.

The tempo of economic activity is picking up in Australia following last year's slowdown induced by the government's anti-inflationary measures. Australia is concerned about continued access to its all-important United Kingdom market should that country enter the European Economic Community. These developments have led the Government to step up its efforts to find and expand new customers, particularly among its ECAFE partners. Japan, which now buys more Australian wool (the top-ranking Australian export) than any other country, is becoming an increasingly more valuable customer for Australian foodstuffs, and also coal and minerals. At the present rate of export, Japan bids fair to replace the United Kingdom as Australia's principal market. Trade is also being promoted with Malaya, Singapore, and Hong Kong. Communist China has bought huge quantities of Australian wheat; the Soviet Union has long been a good customer for Australian wool. Australian trade ties are very close and expected to become even closer with New Zealand. There has been a revival lately of talk of an Australian-New Zealand customs union, and still vaguer talk of a Pacific trade area which might also include Canada and perhaps Japan.

Australia therefore occupies an important place in our plans for trade expansion. Our objectives are to promote exports to that country by: (*a*) improving the trading climate through pressing for the liberalization of Australian import restrictions and a reversal of the current protectionist trend, and by negotiating reductions in the relatively high level of Australian tariffs; (*b*) expanding and strengthening facilities for U.S. trade promotion in Australia, both staff and such programs as trade exhibits and trade missions; and (*c*) by stimulating greater interest on the part of the American business community, which is still far too unaware of the potential of this rich market, through holding trade clinics and also disseminating more market surveys and other target data.

### U.S. TRADE PROMOTION ACTIVITIES

The Department of Commerce, in its efforts to promote an increasing level of U.S. exports, has been, and continues to be, engaged in an active campaign to generate new interest in foreign markets on the part of American industries and exporters and to create a favorable climate for trade and investment in the foreign countries. This program of promotion is being applied with equal force to Asia. Various means are used to achieve these objectives, such as trade centers, trade fairs, trade missions, publications, the recruitment of aggressive commercial officers in the Foreign Service, special studies to determine means of improving our competitive position, and efforts to reduce trade restrictions.

One of the newest devices which the Department of Commerce has found to be very effective is the establishment of trade centers in important trading areas. This, in effect, is a program of bringing samples of American products to the foreign marketplace for display in a permanent American operated showcase, for demonstration, and for actual sale. American exhibitors are urged to participate on the premises so that they can tap new markets, select permanent sales representatives and receive various Department of Commerce services. These services include trade contact surveys (finding agents to represent the American firm in the foreign country) and world trade directory reports, which contain information on the effectiveness, and general reputation of a foreign company which the American firm may wish to appoint as an agent or distributor. The Department of Commerce established a regional trade center in Bangkok in May of this year to serve the seven countries of southeast Asia, and plans to open one in Tokyo early next year. Similar centers, on a more limited scale, are under consideration for a number of other Asian cities, including Kuala Lumpur, Singapore, Manila, and Osaka.

Although not new, the trade fair program of the United States has been given new emphasis by the participation of the Department of Commerce in planning, arranging, and mounting effective commercial exhibits for the U.S. Information Agency. Commerce's objective in participating in this endeavor is to use the fair as a means of finding new customers abroad for American products. Asian countries have been the site of a number of such fairs in the recent past, including Japan, India, Ceylon, and Afghanistan. The United States has participated annually in the Japan fair for the past several years and plans to participate in the fair scheduled for next spring. A major exhibit for Pakistan and a U.S. solo exhibit for Indonesia are scheduled for later this year.

Although a continuation of an older program, trade missions have taken on new meaning. A team of four or five private businessmen, led by one or two Department of Commerce officials, visit a country for the purpose of actively promoting the sale of American products, services, and investment. The new emphasis is that the missions consist of specialists in specific fields who can do a good selling job of particular products, such as, for instance, machine tools. The trade mission is also required, on return to the United States, to do a selling job in inducing American companies to seek markets abroad by pointing out opportunities and indicating the probable magnitude of the potential market. Trade missions have recently visited Japan, Pakistan, Malaya, Singapore, Ceylon the Philippines, and Burma. Missions are scheduled this year for Japan, the Philippines, and India.

In an effort to maximize the growth potential for American sales in Malaya, the Department of Commerce established an experimental "pilot project" in Kuala Lumpur, Malaya, by opening a commercial section in the Embassy in 1960, and in assigning an aggressive commercial attaché to the post to engage in an extensive campaign to open up the local market for American products. A market survey was prepared by a Commerce official who spent several weeks in the area. A trade mission visited the area in early 1961. The results of these and other promotional efforts were gratifying. U.S. exports to Malaya increased from \$8.3 million in 1959 to \$17.9 million in 1960, and to \$23 million in 1961.

Increased attention is being given by the Department of Commerce to the strengthening of our commercial staff abroad, increasing our services to American businessmen through the publications program and special services provided by analysts and technicians in the Department of Commerce, and through improved services by our commercial officers abroad.

*U.S. merchandise trade by major areas, 1959–61*

[Millions of dollars]

| Area or country | 1959 | 1960 | 1961 |
|---|---|---|---|
| Exports, excluding "special category," total | 15, 926 | 18, 892 | 19, 105 |
| Non-Communist Asian countries [1] and Iran | 2, 410 | 3, 258 | 3, 656 |
| Australia | 266 | 387 | 318 |
| New Zealand | 48 | 75 | 68 |
| Canada | 3, 748 | 3, 709 | 3, 643 |
| 20 American Republics | 3, 526 | 3, 478 | 3, 380 |
| Western Europe | 4, 535 | 6, 318 | 6, 292 |
| Near East and Africa [2] | 1, 019 | 1, 130 | 1, 248 |
| Other countries | 374 | 537 | 500 |
| Inports, total | 15, 627 | 15, 017 | 14, 720 |
| Non-Communist Asian countries [1] | 2, 299 | 2, 453 | 2, 311 |
| Australia | 197 | 142 | 184 |
| New Zealand | 136 | 119 | 130 |
| Canada | 3, 352 | 3, 153 | 3, 267 |
| 20 American Republics | 3, 601 | 3, 528 | 3, 214 |
| Western Europe | 4, 523 | 4, 185 | 4, 067 |
| Near East and Africa [2] | 973 | 888 | 932 |
| Other countries | 546 | 549 | 615 |

[1] Afghanistan, Burma, Cambodia, Celon, Hong Kong, India, Indonesia, Japan, Korea, Laos, Malaya, Nepal, Pakistan, Philippines, Singapore, British Borneo, Taiwan, Thailand and Vietnam.
[2] Excludes Iran.

*U.S. exports to selected countries, 1959–61*

| Country | Value (thousands of dollars) | | | Percent of total U.S. exports | | |
|---|---|---|---|---|---|---|
| | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 |
| Total [1] [2] | 2, 410, 459 | 3, 257, 677 | 3, 656, 483 | 15. 1 | 17. 2 | 19. 1 |
| Afghanistan | 6, 918 | 9, 188 | 18, 428 | (3) | (3) | . 1 |
| Burma | 8, 061 | 8, 335 | 6, 835 | . 1 | (3) | (3) |
| Cambodia | 5, 591 | 7, 111 | 11, 296 | (3) | (3) | . 1 |
| Ceylon | 23, 116 | 14, 304 | 14, 893 | . 1 | . 1 | . 1 |
| Hong Kong | 96, 376 | 122, 537 | 127, 857 | . 6 | . 6 | . 7 |
| India | 336, 372 | 640, 653 | 482, 585 | 2. 1 | 3. 4 | 2. 5 |
| Indonesia | 67, 074 | 85, 839 | 134, 064 | . 4 | . 5 | . 7 |
| Iran | 113, 636 | 117, 123 | 91, 906 | . 7 | . 6 | . 5 |
| Japan | 967, 206 | 1, 341, 279 | 1, 739, 334 | 6. 1 | 7. 1 | 9. 1 |
| Korea, Republic of | 135, 787 | 153, 231 | 162, 421 | . 9 | . 8 | . 9 |
| Laos | 2, 685 | 1, 629 | 2, 564 | (3) | (3) | (3) |
| Malaya, Federation of | 8, 679 | 18, 004 | 23, 127 | . 1 | . 1 | . 1 |
| Nepal | 208 | 695 | 420 | (3) | (3) | (3) |
| Pakistan | 104, 133 | 169, 946 | 195, 262 | . 7 | . 9 | 1. 0 |
| Philippines | 276, 211 | 297, 300 | 332, 806 | 1. 7 | 1. 6 | 1. 7 |
| Singapore; British Borneo [4] | 31, 883 | 41, 308 | 47, 243 | . 2 | . 2 | . 2 |
| Taiwan | 107, 316 | 110, 705 | 135, 693 | . 7 | . 6 | . 7 |
| Thailand | 62, 760 | 65, 372 | 62, 615 | . 4 | . 3 | . 3 |
| Vietnam, Republic of | 56, 447 | 53, 118 | 67, 134 | . 4 | . 3 | . 4 |
| Australia | 266, 419 | 387, 080 | 318, 166 | 1. 7 | 2. 0 | 1. 7 |
| New Zealand | 48, 413 | 74, 664 | 68, 420 | . 3 | . 4 | . 4 |

[1] Excludes "special category" items.
[2] Excludes Outer Mongolia.
[3] Less than 1/10 of 1 percent.
[4] Includes North Borneo, Brunei, and Sarawak.

*U.S. general imports from selected countries, 1959–61*

| Country | Value (thousands of dollars) | | | Percent of total U.S. imports | | |
|---|---|---|---|---|---|---|
| | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 |
| Total [1] | 2,298,764 | 2,452,833 | 2,310,672 | 14.7 | 16.3 | 15.7 |
| Afghanistan | 16,431 | 19,801 | 11,845 | .1 | .1 | .1 |
| Burma | 2,269 | 1,175 | 1,597 | (2) | (2) | (2) |
| Cambodia | 12,847 | 6,618 | 2,281 | .1 | (2) | (2) |
| Ceylon | 34,651 | 38,736 | 31,376 | .2 | .3 | .2 |
| Hong Kong | 99,779 | 138,827 | 122,442 | .6 | .9 | .8 |
| India | 207,257 | 228,098 | 252,194 | 1.3 | 1.5 | 1.7 |
| Indonesia | 190,366 | 216,094 | 163,141 | 1.2 | 1.4 | 1.1 |
| Iran | 50,941 | 51,266 | 61,315 | .3 | .3 | .4 |
| Japan | 1,028,655 | 1,148,653 | 1,054,670 | 6.6 | 7.6 | 7.2 |
| Korea, Republic of | 4,007 | 5,206 | 7,160 | (2) | (2) | (2) |
| Laos | 47 | ---------- | 9 | (2) | ---------- | (2) |
| Malaya, Federation of | 159,367 | 156,272 | 149,161 | 1.0 | 1.0 | 1.0 |
| Nepal | 12 | 27 | 44 | (2) | (2) | (2) |
| Pakistan | 35,449 | 36,037 | 36,984 | .2 | .2 | .3 |
| Philippines | 312,168 | 306,631 | 316,485 | 2.0 | 2.0 | 2.1 |
| Singapore; British Borneo [3] | 29,150 | 19,007 | 14,713 | .2 | .1 | .1 |
| Taiwan | 14,056 | 20,461 | 43,160 | .1 | .1 | .3 |
| Thailand | 90,565 | 55,522 | 37,467 | .6 | .4 | .3 |
| Vietnam, Republic of | 10,747 | 4,402 | 4,628 | .1 | (2) | (2) |
| Australia | 196,873 | 142,098 | 183,664 | 1.3 | .9 | 1.2 |
| New Zealand | 135,550 | 119,022 | 129,590 | .9 | .8 | .9 |

[1] Excludes Outer Mongolia.
[2] Less than 1/10 of 1 percent.
[3] Includes North Borneo, Brunei, and Sarawak.

*Selected countries' exports, and percent to United States and Sino-Soviet bloc, 1959–61*

| Country | Total exports (millions of dollars) | | | Percent to United States | | | Percent to Sino-Soviet bloc | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 |
| Brunei | 101 | 83 | 78 | (1) | (1) | (1) | (1) | (1) | (1) |
| Burma | 223 | 224 | 219 | 0.9 | 0.4 | 0.4 | 2.6 | 6.1 | 5.7 |
| Cambodia | 58 | 70 | 63 | 24.1 | 11.0 | 6.8 | 4.3 | 10.0 | 5.5 |
| Ceylon | 368 | 385 | 364 | 9.3 | 9.0 | 8.6 | 6.4 | 9.8 | 9.3 |
| Hong Kong [2] | 574 | 689 | 688 | 18.0 | 19.4 | 17.8 | 4.3 | 3.3 | 2.7 |
| India | 1,309 | 1,333 | 1,396 | 15.3 | 16.0 | 17.4 | 8.4 | 8.1 | 8.1 |
| Indonesia | 872 | 840 | 784 | 16.4 | 23.1 | 23.8 | 8.3 | 8.4 | 9.9 |
| Iran [3] | 90 | 97 | [4] 58 | 14.5 | 13.0 | (5) | 24.5 | 28.8 | [4] 23.8 |
| Japan | 3,456 | 4,055 | 4,236 | 30.4 | 27.3 | 25.3 | 1.1 | 1.8 | 2.4 |
| Korea, Republic of | 19 | 32 | 39 | 10.9 | 11.5 | 17.6 | -------- | -------- | (5) |
| Laos | 1 | 1 | (5) | (5) | (5) | (5) | (5) | (5) | (5) |
| Malaya, Federation of | 808 | 956 | 858 | 11.5 | 10.4 | 12.7 | 10.9 | 7.3 | 7.6 |
| North Borneo | 58 | 73 | 72 | 4.4 | 2.2 | 2.4 | (1) | (5) | (1) |
| Pakistan | 320 | 393 | 400 | 10.4 | 8.7 | 9.9 | 3.4 | 7.8 | 6.7 |
| Philippines | 506 | 535 | 536 | 60.4 | 50.8 | 54.5 | -------- | -------- | (1) |
| Sarawak | 174 | 160 | 130 | 5.0 | .2 | .4 | .1 | (1) | (1) |
| Singapore | 1,124 | 1,136 | 1,081 | 8.5 | 7.0 | 6.7 | 10.1 | 7.2 | (5) |
| Taiwan (Formosa) | 157 | 164 | 216 | 8.7 | 11.6 | 22.4 | -------- | -------- | -------- |
| Thailand | 359 | 408 | [6] 333 | 24.7 | 14.0 | [6] 4.9 | .7 | 2.1 | [6] .6 |
| Vietnam, Republic of | 75 | 84 | 71 | 8.5 | 4.4 | 5.1 | (5) | -------- | -------- |
| Australia | 2,006 | 1,953 | 2,374 | 9.5 | 6.8 | 8.6 | 4.5 | 5.0 | 9.4 |
| New Zealand | 822 | 847 | 794 | 14.6 | 12.7 | 14.7 | 1.8 | 3.1 | 2.0 |

[1] Less than 0.05 percent.
[2] Includes reexports.
[3] Data exclude petroleum and products. Year ends Dec. 21
[4] January–June only.
[5] Not available.
[6] Port of Bangkok only.

Source: Official trade statistics of listed countries.

*Selected countries' imports, and percent from United States and Sino-Soviet bloc, 1959–61*

| Country | Total imports (millions of dollars) | | | Percent from United States | | | Percent from Sino-Soviet bloc | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 |
| Brunei | 21 | 21 | 19 | (1) | 6.4 | 5.0 | (1) | 1.8 | 2.0 |
| Burma | 223 | 259 | 216 | 4.4 | 3.8 | 3.8 | 11.4 | 13.7 | 12.8 |
| Cambodia | 69 | 95 | 97 | 7.0 | 9.2 | 13.7 | 9.7 | 15.1 | 12.7 |
| Ceylon | 421 | 412 | 358 | 6.9 | 3.6 | 3.4 | 8.7 | 7.9 | 5.1 |
| Hong Kong | 866 | 1,026 | 1,045 | 10.4 | 12.3 | 12.2 | 21.6 | 21.0 | 18.2 |
| India | 1,865 | 2,124 | 2,131 | 22.0 | 23.7 | 23.6 | 4.2 | 3.5 | 6.3 |
| Indonesia | 459 | 574 | 794 | 16.0 | 15.6 | [2] 10.8 | 15.1 | 12.6 | [3] 9.6 |
| Iran [4] | 527 | 581 | 572 | 16.8 | 17.4 | 18.0 | 7.0 | 5.2 | (1) |
| Japan | 3,600 | 4,491 | 5,810 | 31.0 | 34.6 | 36.1 | 1.9 | 2.8 | 3.7 |
| Korea, Republic | 283 | 329 | 300 | 50.2 | 40.6 | 47.8 | (1) | (1) | (1) |
| Laos | [5] 27 | 12 | (1) | 6.3 | 13.1 | (1) | (1) | (1) | (1) |
| Malaya, Federation of | 568 | 702 | 728 | 2.9 | 4.1 | 5.0 | 4.7 | 4.3 | 4.4 |
| North Borneo | 51 | 64 | 70 | 9.4 | 10.2 | 10.6 | (6) | (6) | (6) |
| Pakistan | 353 | 654 | 642 | 23.7 | 24.8 | 24.7 | 2.2 | 2.3 | 1.6 |
| Philippines | 521 | 643 | 622 | 47.0 | 44.3 | 50.2 | (6) | (6) | (6) |
| Sarawak | 149 | 145 | 135 | 1.3 | 1.9 | 2.3 | 2.9 | 3.5 | 4.9 |
| Singapore | 1,277 | 1,332 | 1,296 | 3.2 | 3.8 | 4.7 | 3.6 | 3.8 | (1) |
| Taiwan | 232 | 297 | 322 | 36.1 | 38.1 | 42.2 | .7 | .7 | .4 |
| Thailand | 419 | 456 | [7] 470 | 16.7 | 16.7 | [7] 14.9 | .7 | 1.2 | [7] 1.3 |
| Vietnam, Republic | 225 | 239 | 255 | 26.0 | 25.5 | 26.8 | (1) | -------- | -------- |
| Australia | 1,859 | 2,363 | 4,099 | 14.7 | 18.3 | 19.2 | .9 | 1.1 | .9 |
| New Zealand | 575 | 784 | 804 | 8.3 | 9.4 | 9.5 | .4 | .4 | .5 |

[1] Not available.
[2] January–August only.
[3] January–September only.
[4] Data exclude imports free of duty. Year ends Dec. 21.
[5] Includes imports of gold valued at $13,000,000.
[6] Less than 0.05 percent.
[7] Port of Bangkok only.

Source: Official trade statistics of listed countries.

*Japanese trade by principal countries and commodities, 1961*

[Millions of dollars]

| | | | |
|---|---|---|---|
| Total imports | 5,810 | Total exports | 4,236 |
| Principal suppliers: | | Principal destinations: | |
| United States | 2,097 | United States | 1,073 |
| Australia | 452 | Indonesia | 154 |
| Canada | 266 | Hong Kong | 154 |
| Kuwait | 239 | Thailand | 134 |
| Principal commodity imports: | | Principal commodity exports: | |
| Food | 640 | Iron and steel | 380 |
| Petroleum, crude | 539 | Cotton fabrics | 348 |
| Cotton | 530 | Textile fabrics, other | 298 |
| Machinery | 501 | Fish and preparations | 163 |

Source: United Nations, Commodity Trade Statistics.

*Australian trade by principal countries and commodities, 1961*

[Millions of dollars]

| | | | |
|---|---|---|---|
| Total imports | 2,099 | Total exports | 2,374 |
| Principal suppliers: | | Principal destinations: | |
| United Kingdom | 628 | United Kingdom | 454 |
| United States | 403 | Japan | 420 |
| Germany, Federal Republic | 122 | United States | 205 |
| Japan | 108 | China (Communist) | 161 |
| Principal commodity imports: | | Principal commodity exports: | |
| Machinery | 435 | Wool and other animal hair | 821 |
| Petroleum and products | 234 | Wheat | 311 |
| Textile yarn, fabrics, and related products | 228 | Meat and preparations | 185 |
| Road motor vehicles | 142 | Iron and steel | 75 |

Source: United Nations, Commodity Trade Statistics.

*Federation of Malaya's trade by principal countries and commodities, 1961*

[Millions of dollars]

| | | | |
|---|---|---|---|
| Total imports | 728 | Total exports | 858 |
| Principal suppliers: [1] | | Principal destinations: [1] | |
| United Kingdom | 164 | Singapore | 171 |
| Indonesia | 82 | Japan | 125 |
| Thailand | 81 | United States | 109 |
| Singapore | 67 | United Kingdom | 103 |
| Principal commodity imports: | | Principal commodity exports: | |
| Machinery | 76 | Rubber, crude | 472 |
| Road motor vehicles | 46 | Tin | 180 |
| Petroleum products | 46 | Iron ore and concentrates | 54 |
| Rice | 42 | Vegetable oils | 29 |

[1] Singapore figures are overstated and other country figures are understated by values of goods moving through Singapore for which countries of origin or destination are unknown.

Source: United Nations, Commodity Trade Statistics.

*Indian trade by principal countries and commodities, 1961*

[Millions of dollars]

| | | | |
|---|---|---|---|
| Total imports | 2, 131 | Total exports | 1, 396 |
| Principal suppliers: | | Principal destinations: | |
| United States | 504 | United Kingdom | 345 |
| United Kingdom | 421 | United States | 242 |
| Germany, Federal Republic | 257 | Japan | 85 |
| Japan | 127 | Germany, Federal Republic | 46 |
| Principal commodity imports: | | Principal commodity exports: | |
| Machinery, nonelectric | 485 | Tea | 261 |
| Iron and steel | 215 | Jute fabrics | 162 |
| Wheat | 153 | Jute bags | 138 |
| Cotton | 146 | Cotton fabrics | 106 |

Source: Monthly Statistics of the Foreign Trade of India.

*Philippine trade by principal countries and commodities, 1961*

[Millions of dollars]

| | | | |
|---|---|---|---|
| Total imports | 622 | Total exports | 536 |
| Principal suppliers: | | Principal destinations: | |
| United States | 312 | United States | 292 |
| Japan | 109 | Japan | 137 |
| Germany, Federal Republic | 31 | Netherlands | 32 |
| United Kingdom | 24 | Germany, Federal Republic | 17 |
| Principal commodity imports: | | Principal commodity exports: | |
| Machinery, nonelectric | 101 | Sugar and preparations | 139 |
| Transport equipment | 69 | Wood | 97 |
| Iron and steel | 52 | Oil seeds and oil nuts | 95 |
| Petroleum and products | 49 | Metallic ores and scrap | 69 |

Source: Foreign Trade Statistics of the Philippines.

Mr. BEHRMAN. Thank you, Mr. Chairman.

I want to say we are very pleased that you have decided to initiate this series of studies and discussions. We feel that this is an area of increasing importance to us in trade and economic relations, and this is an initiative which we very much welcome.

The area of Asia and Southwest Pacific, as you pointed out, is an expanding one in terms of population and potential market. We feel that it constitutes an enormous market for American goods and services in the near future. Also, as the prepared statement points out in some detail, the countries of Asia and the Southwest Pacific are important suppliers of vitally needed raw materials and manufactured goods which contribute materially to the satisfaction of the U.S. economic needs as well as those of Western Europe.

Japan, of course, is an exception to the rest of the group in Asia and the Southwest Pacific: it is not a supplier of raw materials as are the others; it has been able to contain some of its population explosion as others have not; it is, on the other hand, a very large market for U.S. goods.

Apart from Japan these countries are characterized by low incomes, rapidly expanding population and difficulties of handling their economic growth. They have an exploding demand for imports, both consumer and capital goods. Their export capabilities cannot now live up to their import needs. This is a matter to which we ourselves are paying considerable attention.

Their export capabilities rely almost wholly now on primary products. About 90 percent of the world's natural rubber comes from the countries of Asia and the Southwest Pacific; more than 60 percent of the world's tin from this area; substantial shares of the world's output of oil, wool, sugar, copra, hemp, jute, cotton, pepper, and many other products come from these countries.

You will note that the characteristics of these products, Mr. Chairman, is one of a primary nature, they are not generally processed to any degree. They are not manufactured in these areas; therefore, they are now in price compared to the finished product and are not heavy revenue earners for them as compared to what is eventually done to these products in the industrialized countries. Therefore, one of their major problems is in either making more use of their own raw materials or diversifying their exports.

Our ability in the United States to sell to the less developed countries eventually depends on their ability to sell to the developed countries, and as I have just pointed out, their ability is at present fairly circumscribed. Only if the more developed countries are themselves willing to take diverse types of goods from the less developed countries in the longer run yielding thereby to the less developed countries a part of the growth in some of our own markets to exports of the less developed countries, only if this is done will trade expand on a mutually beneficial basis.

May I say here, Mr. Chairman, that one of the major purposes of the Trade Expansion Act propounded by the administration is to provide just this opportunity for a growth in mutually beneficial trade. There are several provisions in the act which are directed to the interest of the less-developed countries, not only in expanding export types of products which are called tropical, but also in enabling them through mutual reductions of barriers to diversify their exports.

We expect, of course, that this authority will be given to the President and that it will be used in ways to maximize trade between the United States and Asia and the Southwest Pacific region.

As I pointed out to begin with, the trade with this area, with the United States, is very important and is surpassed only by trade with Western Europe in volume; in fact, we sold over $4 billion worth of goods, or 21 percent of our total exports to that area in 1961; we sold 20 percent of our total exports in 1960 to that area. They constitute mostly machinery, chemicals, grain, cotton; we sell a very high percentage of each of those items in our total exports to this area. Japan alone, as I indicated, is an important country, the most significant one; it took 9 percent of our total exports in 1961, about half as much as did the entire Common Market. We are submitting for your use, Mr. Chairman, a series of tables which accompany the statement which we have submitted. They demonstrate the category breakdown of these larger aggregates which I have just mentioned.

An important element of our consideration of trade relations with these areas in Asia and the Southwest Pacific is developing economic cooperation among these countries. They have turned their attention to technical, economic and commercial cooperation, giving it a fairly high priority in the work of the United Nations Economic Commission for Asia and the Far East.

The most important outstanding example is the cooperation in the development of water resources in the lower Mekong Valley. This has been a difficult project to work out but it has great potentials in terms not only of navigation but also irrigation, flood control, power, mineral exploration, et cetera.

These countries, however, are not moving toward the type of economic integration which is characterized in the Common Market or even by the Latin American Free Trade Association. They have, in fact, limited their cooperation to a much less ambitious type. They have developed an Asian Trade Fair organization which is scheduled to meet in 1963 in Karachi, they are setting up regional seminars and regional centers on trade promotion, they have an interregional trade promotion unit under the sponsorship of ECAFE, an annual conference by a committee on trade as part of the ECAFE program of activities. However, these are not the same sort of thing as is developed in the other regions, and it is not likely in our view that they will be moving in the near future to the type of economic cooperation in Latin America or in Europe.

The nearest thing to that type of cooperation is in the confederation of the five countries of Malaya, Singapore, Brunei, Sarawak, and North Borneo in what is known as the Federation of Malaysia, scheduled for 1962, this will be complete economic and political union.

We are, ourselves, watching carefully this development, because American exports to the area which comprises Malaya were about $70 million in 1961 and they are expected to increase with the opening up of these territories.

U.S. companies are also interested in this Malaysia group because it will offer excellent opportunities for American investment.

There are a variety of opportunities that would appear to open up with the Pioneer Industries Act which will create a better climate for U.S. investment.

A second grouping which is known as the Association of Southeast Asia or ASA, comprises Malaya, the Philippines and Thailand. Under a declaration of July 31, 1962, they will enter on a system of operation concentrating on economic, cultural, and social matters. Again, this is a sort of joint committee type operation, however.

May I turn your attention briefly to the importance of Japan. You indicated in your opening remarks, Mr. Chairman, that it is ranked now as second in the list of countries as the market for U.S. goods, following Canada. I want to point out here that opening up of economic contacts with any country is not simply a matter of trade, this is important. But as noted in our experience with Japan the opening up of trade also opens up a variety of other contacts through licensing arrangements whereby we transfer technical know-how to them, they at times return technical know-how to us under bilateral arrangements among private companies. We make available to them patent rights which we have in Japan. There now exist approximately 1,000 such licensing arrangements between U.S. and Japanese firms. In fact, it is estimated that the returns from these licensing arrangements are larger than the returns of over $300 million in direct investments which have been made in Japan by U.S. companies.

Not only are trade and investment important but obviously the question of export financing has played an important role in our relationships with Japan. We sell a large amount of capital equipment, and because of our balance-of-payments position with Japan, this would be impossible without substantial export financing provided by U.S. public and private sources.

Our major problems in expanding trade with Japan further are the fact that they have a variety of import restrictions which they have felt unable to remove because of their balance-of-payments problems. Contrariwise, on our own part, we have felt the pressure at times of specific commodity imports from Japan and as an accommodation to us to prevent disruption of markets, they have entered into orderly marketing arrangements with us on products of about 25 or 30 different items including textiles, plywood, stainless steel flatware, chinaware, canned and frozen tuna, and as I say, other items running to about 25 or 30 items.

These, we feel, are necessary to open up the markets to Japan and the United States on an orderly basis and provide a longrun market to them for a diversified number of exports.

India is another important market in this area. It is now embarking on a third of a series of 5-year plans for economic development which will make it an even more attractive market. Potentially it has one of the greatest mass markets in the world with a population of 450 million, growing about 9 million per year. If the economic development programs of India can succeed as projected, we can anticipate widening economic and trade opportunities there. Traditionally, of course, India's economic and trade relations have been tied to the United Kingdom and we have found it difficult to break in, but we are ourselves turning attention to ways of doing this. We have expanded our trade but Western European countries have gained most of the increase in India's imports over the past several years.

The tie with the United Kingdom is industrially strong in commercial matters.

Our principal exports to India are, again, capital equipment for economic development, and this also, more than with Japan, requires financing.

Much of the financing comes from the AID program and may I call your attention, Mr. Chairman, to the very important relationship which AID financing can have with our commercial objectives. The AID program, in our estimation, can be a very important wedge in opening up commercial opportunities in the less developed countries. If the AID funds are directed in such ways as to continue opportunities in the future, past the initial AID project, for additional orders, replacements, and new capital equipment, it will have served

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not only the objective of economic development but also an objective of mutually beneficial trade in the longer run.

Again, as with Japan, we have important relationships in India through investment and more and more businesses in the United States are associating themselves in India through licensing operations or joint ventures in investment.

Turing to the Philippines, we find also an increase in U.S. direct investments from about $150 million in 1950 to over $430 million, about $439 million in 1961. The improvement in the investment climate brought about by the Macapagal administration should open up a variety of fields through the repudiation of an earlier Philippine-first policy which, in fact, discriminated against U.S. investments.

Australia is, of course, of a different culture in this area. It does not have the same economic development problems of the other countries that I have mentioned. It differs substantially both economically and culturally from the other countries in the area. As far as the market for U.S. goods is concerned it buys mainly machinery and materials for its industry, which supports itself on a broadening industrial base. Again, American companies are investing in Australia and are providing management and technical skills through licensing arrangements. Despite the United Kingdom's own pre-eminence in the market in Australia, we are Australia's second largest supplier and feel that we can, in fact, open that market more to U.S. goods if we, in the Department of Commerce and the U.S. Government, can succeed in turning American companies' attention more to this market.

Our objectives in our trade relationships with Australia are to promote exports to that country by improving the trade climate through pressing for liberalization of the remaining Australian import restrictions and to obtain a reversal of what we see as a current protectionist trend in Australia. Again, the Trade Expansion Act, we feel, will provide us with necessary authority here.

Secondly, we wish to expand and strengthen the facilities for U.S. trade promotion in Australia both through our own staff and programs such as trade exhibits and trade missions. We have a problem, Mr. Chairman, in focusing U.S. business attention on this market which we consider to be a rich and potential one; it is a bit far in the purview of most U.S. companies, but, as I say, we are turning our attention to this through a variety of trade promotion activities.

May I briefly outline for you what these activities are, not only for Australia but for the whole area.

We have, recently, in May of this year, in fact, opened a regional trade center in Bangkok. It will serve seven countries of southeast Asia and we plan to open another one in Tokyo early next year. We are also considering trade centers for other Asian cities because we have found that this is a technique which not only brings companies which have not exported into the export market but brings companies that are normally exporting into new markets; ones that they have not thought of previously.

Secondly, as you know, Mr. Chairman, we have asked for a separate trade fair program directed toward trade promotion essentially, completely, largely in the areas where, again, we can bring established exporters into contact with new markets.

So far the Congress has seen fit to appropriate a certain amount of funds for this program, but we feel in the future we will probably have to expand it if we are to maximize the very good beneficial effects of trade fairs.

Senator ENGLE. Do you have any trade fairs now?

Mr. BEHRMAN. We have trade fairs which we are mounting under the aegis of the USIA which are largely for propaganda purposes located in countries largely at their selection. We have no trade fairs which are directed wholly toward the promotion of U.S. exports.

Senator ENGLE. Now, these trade centers you talk about, are they permanent trade centers? You have one now in London?

Mr. BEHRMAN. One in London, one in Bangkok, one in Tokyo will open soon.

Senator ENGLE. Any in Europe?

Mr. BEHRMAN. Frankfurt will open this fall.

Senator ENGLE. Are those under the direct supervision of the Department of Commerce?

Mr. BEHRMAN. Under the direct supervision of a bureau in my own office; yes, sir.

Senator ENGLE. I appeared before the Appropriations Committee some time ago, and asked them to give the Department of Commerce the money to run their own trade fairs.

Mr. BEHRMAN. Yes, sir.

Senator ENGLE. I haven't any objection to USIA running a propaganda show, but it seems to me that we ought to be trying to sell some merchandise. We may show the Telstar over in Africa and impress the natives, but if we want to sell them something—they are not going to buy Telstar—they might buy a hoe or something like that, rudimentary things they can use in their agriculture. What has happened to that appropriation? I had the opinion that the committee was favorable.

Mr. BEHRMAN. It has been held up because of the lack of hearing on the judiciary budget.

Senator ENGLE. The judiciary budget?

Mr. BEHRMAN. Yes, sir, we are lumped together, State, Commerce, and judiciary, in the same bill.

The third program which we are looking toward expanding is trade missions. We have developed a concept of a specialist program, Mr. Chairman, quite different from the earlier programs in which we sent a group of general businessmen interested in a variety of products. We are now focusing our attention on the types of products which we feel have the most potential in a given market. Trade missions have recently visited Japan, Pakistan, Malaya, Singapore, Ceylon, the Philippines, and Burma. This year missions are scheduled for Japan, the Philippines, and India.

Again, here we are trying to put the most effort in the most expanding markets in the particular products where we feel the potential is greatest.

Senator ENGLE. How do you make up these missions that go out, and who pays the freight?

Mr. BEHRMAN. The Department of Commerce through its appropriations pays for the expenses of the businessmen, their transportation over, and for certain expenses in representation abroad.

Senator ENGLE. What's to prevent these fellows from just going on what they would call, if we in the Congress made it, a junket?

Mr. BEHRMAN. They can go on their own junket, Mr. Chairman, but if they go with us, they go under a very rigid schedule headed by a Department of Commerce official or some other official. The schedule has been worked out so rigidly that these men find themselves working at night, making several speeches a day, interviewing a variety of people, poring over a variety of catalogs.

Senator ENGLE. You mean they don't have time to eat high on the hog and run the bright lights of these exotic foreign countries?

Mr. BEHRMAN. They are given a banquet by the host countries that permits them to eat high on the hog, Mr. Chairman; it may be once during their whole time abroad, and they well deserve it considering the amount of time they have poured into this. We also work them hard when they come back.

Senator ENGLE. What I am trying to find out is, what is to prevent the Commerce people themselves from making junkets out of these missions? Is there any way we can get a cost sharing on this so that they would have a bona fide and financial interest in selling goods, and that they would have to sell something to make it worth their while?

Mr. BEHRMAN. We are now, Mr. Chairman, working out with a variety of industry groups which we are calling a do-it-yourself trade mission.

Senator ENGLE. That's what I'm talking about, a "do it-yourself kit."

Mr. BEHRMAN. This is what we are working on.

Senator ENGLE. I would like to see Commerce get into this, I would like to see Commerce finance some of it, but I would like to see a program under which the business community itself committed some of its money. Otherwise, it is a pleasant thing to go to Hong Kong. If you go at the Government's expense, even if you go with a Department of Commerce guide or tour director, I am not so sure but what the tour director would join with the junketers, and then everybody would live high on the hog and have a fine trip—and we wouldn't sell anything.

Mr. BEHRMAN. We keep a pretty close tab on them, Mr. Chairman. May I say on this "do it yourself" which you are emphasizing that we have now on board an export coordinator by the name of Mr. Draper Daniels, appointed by the President, to generate an interest among the business community in the do it yourself type. This is one of the many things he will be doing.

Senator ENGLE. The do it yourself part is fine, but it seems to me that we do need some Government help and some Government direction.

Mr. BEHRMAN. The way in which this will be done is we will supply a Commerce man to help them program their trip, make sure they get the right audience abroad; and this is very difficult with the number of people that are traveling abroad, to get the support of the officers abroad and then to make sure that this is carried out so that when they come back their opportunities are disseminated within the business community. If that isn't done the trip itself, even if it's good, is wasted as far as we are concerned. They have to get this information to the business community.

Senator ENGLE. I like that program. Now, the other day we passed a bill in the Senate that provides for the Department of

Commerce to be able to participate in this mobile trade fair program. We even put in airplanes. But here is a case that operates the way I think it ought to. The shipping people are putting up the transportation cost, the merchants themselves have to set up their own exhibits, and all we want the Department of Commerce and the Federal Government to do is to help them with the mechanics overseas—such as getting them through the redtape, getting them into port, getting them a location which otherwise would be hard for them to handle, and then perhaps pay some of the cost in moving the exhibit from shipside to wherever it's located.

This is a 3-way partnership, but because these people put their own money in there you can be sure that they are down to business about this. A fellow who sets up an exhibit that costs him money wants to sell enough merchandise out of that exhibit to get his cost back; and the shipping company, whether it's Isbrandtsen or whoever it is, want this program to go forward well enough so that it generates the kind of traffic that pays them back for the free transportation they have given.

As far as we in the Federal Government are concerned, of course, our interest is very plain.

Well, I just wanted to comment on these particular missions; I am for them, I think they are a fine thing, and initially, I suppose, in order to generate interest we have to pick up the major end of it. I would hope that over the long haul we could get a self-help program going to some extent, in which the Government participated but in which these people bet their hard cash that they can sell their goods overseas.

That is a self-policing device that insures that we are not setting up what you might call businessmen junkets, which would not produce the kind of results that we want to produce in terms of export trade.

Now, I interrupted you and I didn't intend to take this long.

Mr. Behrman. That's perfectly all right, Mr. Chairman; in fact, I had concluded what I wanted to summarize out of the statement.

Let me emphasize what you were just talking about in terms of trade missions. We feel that our role in the Department of Commerce across all of these programs is to provide seed money trade fairs. We are doing most of the financing now, but if we can get the commercial program that we have talked about previously, we will use it in a way to induce businessmen to come in for the first year and then the next year they are more on their own and the next year even more on their own, and after 2 or 3 years they are on their own in that particular fair.

Then we will move into another market and open that one up through a trade fair, and again use the same sort of seed money operation. We will do the same thing with trade centers.

We are now, in fact, thinking about a different kind of center. We haven't even come up with the legislation on it, but again it would be a seed money type operation. The more in which we can elicit an interest on the business community's side by our own generation of interest and some funds, and then turn it over to the business community, the greater and the wider our influence will be felt.

So, we are, in fact, taking your basic principle there and trying to find other ways than just missions or trade fairs even, to use the seed money or a catalyzing type of program. We will probably be before you in the not too distant future with programs of this type which we hope will receive your support.

Senator ENGLE. Would you care to describe those in general terms, without being specific? What do you have in mind? You already have the trade centers and the trade fairs, the difference being that the trade center is a permanent installation as I understand it and goes the year around.

Mr. BEHRMAN. That is correct.

Senator ENGLE. A trade fair may last for 6 weeks or it may last for 2 months or longer, but it's a perambulatory affair, and it's moved in and out. Your trade mission is where our businessmen go over and try to promote business. Those are the three that you are now operating?

Mr. BEHRMAN. That is correct, sir.

Senator ENGLE. Now, did you have something in addition to that in mind?

Mr. BEHRMAN. We have lots of things in mind, Mr. Chairman, in fact, what I have often said, we have so many ideas lying around we haven't got people to pick them up and put them into practice. Just to give you some of our thoughts off the top of our head.

We have three programs which you have just outlined that are to get the businessmen interested, but they leave them from then on. There is nothing which takes his hand and carries him a little deeper into the agency relationship or which gets him into a position where he could continually service a market which is strange to him.

In many of these countries the smaller exporter would put his goods in the hands of an agent which has multiple clients, and he may not get adequate attention. We are thinking in terms of initiating an arrangement whereby a number of U.S. exporters or potential exporters in new markets, particularly the less developed markets, would get together to form a trade and service center permitting them to work together, to expand the market and diverse goods.

Again, if the U.S. Government can give a push to this thing, fine, this is the sort of thing we would like to do. But, again, I say this is sort of an idea borning, this is not something we have yet fully worked out.

Another thing that we are concerned about is the fact that there is not an adequate distribution system in most of the less developed countries. We can get goods produced but we might get goods into the port, but there is no way of getting them out into the various hinterlands in the countries.

The AID Agency itself is concerned with this. They have asked us to help them find ways of getting a distribution system set up. Here we feel we might use effectively the talents of American businessmen if we can get them over for several months to provide direct technical assistance to various countries who would be themselves going in the warehousing, the selling, and the distribution fields.

Unless we can do this, much of the AID money which will be given to these countries will not, in fact, come back through those distribution channels into U.S. exports. These are just two of the variety of things which we are thinking about.

Senator ENGLE. I observe, as I go through your statement, that very often the difficulty that you face overseas is found in the restrictions of one kind or another put on our products by various countries.

Now, sometimes they do it to protect their balance-of-payments situation. Sometimes they do it to protect a particular type of industry in their own country. Sometimes they have done it because of traditional trade relationships, say, with the mother country, for example, in the case of Australia, their trade has a tendency to flow in a historic direction.

The Department of Commerce has the major responsibility of trying to give greater impetus to U.S. export trade, but these problems involve the State Department.

Now, what I would like to ask you is, How are you getting along with those people over in the State Department? If you would care to say in open session. [Laughter.]

Mr. BEHRMAN. I would prefer, if I may, to address myself to the substance of the question, although I have no difficulty in working with the State Department on these major problems. Mr. Chairman, as I think I have indicated to you previously, particularly at the secretarial level and the areas in which I might have worked, cooperation has been very good.

It takes time to get the changes in attitudes through the various echelons and out into the field, but again cooperation there, I think, has been good.

The problem which you mention on import restrictions is first, the tariff one, and again I would say that the Trade Expansion Act which the President has requested authority to implement is critical here. But over and above and beyond that there are a variety of nontariff barriers which we in the administration, the Department of Commerce particularly, are examining country by country, market by market, item by item, to see how effective they are in stopping our exports and what we should do about them in negotiations.

In addition to the quantitative restrictions and so on, there are, as I mentioned with the Philippines, the sort of Philippine first, or what is frequently known as the nationalization or localization of distribution import agencies. Ceylonization, Indonesia has the Indonesiazation, of import agencies and so on, which makes it difficult at times to work through private selling agencies. It is this type of thing that we are attempting to work on country by country.

However, in order to give my experts a chance, I would like Mr. Braderman, if he may, to pinpoint for you some of the countries and the types of things we find and what we are doing about them.

Mr. BRADERMAN. Well, the first thing we are trying to do is get more businessmen to tell us about the problems they are running across in this field. The surprising thing is that businessmen will tell you privately that they can't get into a market because of a whole host of problems that they run into, but usually they don't get down to the nuts and bolts which they know better than we do because they are trying to do the business. In recent weeks, particularly, we have been giving emphasis to these matters—trying to get more people to tell us what their problems are so that we can attack them.

The first method of attacking it, of course, is to try to get our embassies overseas to talk to the foreign governments about removing any restrictions which we think are unjustified.

In addition to this, of course, there are international organizations where we try to hit at some of these problems. We attack them through the GATT; in the European area we work through the OECD and so on.

A lot of the restrictions that the countries have imposed for one reason or another, in their own eyes, sometimes under international agreements, seem to be justified. These we have to try to pinpoint and get at them so that if they are justified we recognize that fact and if they are not we try to push to get them removed. There are differences of opinion on this and this takes work on both our parts.

Some of the things that Dr. Behrman mentioned with respect to the countries he spoke of are significant. We are aware of restrictions that don't show up in what we call our Federal Register or don't show up in rules or regulations that are issued or don't show up in legislation which other congressional bodies or equivalents issue.

These are the kinds of rules and regulations which are unwritten where, for some reason or another you can't sell a tractor in a country or you can't sell roadbuilding machinery because the Government agency that's involved has a deal on with its own local producers where they get all the business. An American company may submit a bid and all it knows is that its bid is rejected or at least it doesn't get the business. They don't write these up the way we do. We publicize these things, we publicize our rules. Some of these problems are hard to get at and that's one of the reasons we want to work even more closely than we have in the past with business groups to try to pinpoint these so that we can actually get the countries to change practices where these practices prevent us from getting access to markets in which we ought to be.

Mr. Behrman. Many of these countries have been tied to the markets of Europe and they have specifications which are related to the European producers, and items manufactured in the United States don't meet these specifications.

Senator Engle. I used to have that problem with my board of supervisors. The board of supervisors decided that they wanted to buy a certain type of automobile or truck; somehow or other when they wrote the specifications nobody else had a shot at it.

So this is not an unusual problem, and I used to tell them as district attorney that they did not have a right to do that. They had to write general specifications and give everybody a shot at it, but they did not always like that very well, because they could not direct the business where they wanted it to go, or they could not get the type of equipment they really wanted, even though the other would be adequate and would do the job.

I can see how you would have all sorts of difficulties like that, and it is not something that is unique in any of these areas, although I would suspect that political machinations have less general control in some of these foreign countries than we have in the United States; that is, with reference to the kind of bidding that we would like to carry on.

Let me ask you one other question. What have you done with regard to getting information to American businessmen regarding business opportunities in these foreign countries? I might be running a business here and not know that perhaps there was an opportunity to sell something in some country.

Now, this is why I was so interested in the commercial attachés, and I don't know whether you fellows can do anything about that or not, because we failed in our effort to get the commercial attaché program shifted out of the State Department and into the Department of Commerce where it belongs.

I am not sure whether I am going to get the commercial attachés, or whoever heads them up in the State Department, up here one of these days and find out what they are doing in this particular area, but do you have any way of cooperating with them or getting this information back? Perhaps it would concern Chile, where they mine copper, or Bolivia, where they mine tin, or possibly we could produce certain types of equipment that would help in the production of coffee, a major item in Brazil and elsewhere in South America, that sort of thing.

We have mechanized everything in this country from shaking prunes and harvesting prunes to getting a mechanical cotton picker. Could you tell us something about that?

Mr. DALE. I'm William Dale, deputy to Dr. Behrman. If I may just interject, Mr. Behrman got an urgent call from Secretary Hodges and asked permission to leave for a time. I hope he will be back.

On this trade opportunities and commercial attachés, the answer is that the commercial attachés have a program under which they report back to us under the foreign service reporting system, the trade opportunities that they come across, both those that come to us and those they go out and dig up. I want to say we have gotten a great deal of cooperation from our friends in the State Department and the Foreign Service in trying to get the commercial attachés to become more active and aggressive in ringing doorbells and going out after specific trade opportunities.

Now, this information comes back in a regular reporting system and is taken by our people in the Commerce Department and several things are done with the information they give us.

Now, these are quite specific opportunities for particular products that they identify in their countries.

They are first published directly in our house organ, our International Commerce magazine which comes out weekly. Many times they are published in the Commerce Business Daily which also goes to a wide variety of businessmen in this country. In addition they go to the Business and Defense Services Administration where a large number of commodity and industry experts take these pieces of information and try to identify American companies which will have a specific interest in the business that may be generated.

Your remark about things being more automated these days leads me to say that we are trying, experimentally, a program in which we are using data processing machinery in which we have information on some 25,000 American companies now and through the use of this kind of equipment we are trying to match up export opportunity with domestic American suppliers so that we can go target our efforts and go to American suppliers that are well equipped and are interested in trying to develop these export opportunities.

Senator ENGLE. I see that you have a trade fair or U.S. exposition going on in Yugoslavia September 8 to 23. What is that going to mean?

Mr. BEHRMAN. This is one of the USIA trade fairs, which we mount for them under their budgetary transfer, Mr. Chairman. It's a traditional fair with us.

Senator ENGLE. Do you expect to sell anything?

Mr. BEHRMAN. We do out of these——

Senator ENGLE. Or just impress Tito and his crowd over there?

Mr. BEHRMAN. This is a USIA program, and therefore the exports would be incidental to the major objectives. But let me say, Mr. Chairman, that we could not get the participation of U.S. business in these fairs if there was not an export potential.

Senator ENGLE. Do they pay part of the cost?

Mr. BEHRMAN. They did in Osaka, New Delhi, I believe, but not in Yugoslavia.

Senator ENGLE. I notice that in International Commerce of August 27, 1962, you mention the latest in medical equipment seen at the Bangkok show.

Mr. BEHRMAN. Yes, sir.

Senator ENGLE. Do you expect to sell any medical equipment over there?

Mr. BEHRMAN. Yes, sir; this was a very effective demonstration. We got the interest of one of the top surgeons, physicians in Thailand, and he has, in fact, wanted the whole exhibit to be put into several of the hospitals there, and is trying to twist the arm of the Government to permit substantial new imports to come in. It has been surprisingly successful.

Mr. BRADERMAN. If I may interject something here about Yugoslavia where we had a supermarket exhibit in the fair several years ago. This is one of the last things you would think the Yugoslavs with their kind of economy would be interested in having. After a lot of Marxist discussions in their own local council of how supermarkets would distort the local economy they found they had such a demand for that type of thing they eventually set up supermarkets in the city.

Mr. BARTLETT. How would that help us?

Mr. BEHRMAN. We supply a lot of the equipment, and it creates a lot of desire which they have never produced before, which they have been buying from us and our trade with Yugoslavia has increased.

Senator ENGLE. Maybe if we could get a few supermarkets we could break down some of the restrictions they had with reference to packaged American agricultural products. We were told yeaterday in a meeting over here with Mr. Peter Jones that we can put a chicken in a store over there in Germany cheaper than they can bring it in from 5 miles out of town. Of course, it is prepackaged and all that.

Now, we do have trade restrictions against that sort of thing? For instance, on prunes, we can't ship prunes into the European Common Market except in bulk; we can't prepackage them. So, getting back to the question raised by my friend from Alaska, if we could make use of our technical abilities, perhaps, in the absence of their ability to do that sort of thing, we could get some of our agricultural commodities into those areas on the basis of public demand—commodities against which they now have nontariff restrictions of one kind or another. I would hope so anyway.

I wanted to ask you about American investment in these areas as distinguished from export trade. We had testimony before this committee that in some instances where we establish American plants overseas, that as much as one-third of the production of the home plant will be dedicated to supplying parts and technical know-how for the plants in foreign countries. Was it the May Co. that came in here from Pennsylvania?

Mr. LEVIN. Joy Manufacturing Co. By the way, Mr. Dale, in a private capacity, testified on that bill also. I think that should be pointed out.

Mr. BEHRMAN. Mr. Dale did? Let him answer the question.

Senator ENGLE. The reason I ask that is because when I was in the Far East, I found that there was a lot of resistance to permitting American investments. They had a history of colonialism, and they thought that any time anybody came over there to build a factory of any sort that it was a foot in the door to another colonial breakthrough.

You spoke of the Philippines. I saw the Goodyear plant over there. Now, they had their own plant over there, but they hire Filipinos, but they insist on management controls and quality controls over a period of time. Going through South America this past year I ran into the same thing again; and that is, that they kick about American capital coming in. Have you people tried to get together a program which would envision exporting to some extent our technical and business know-how in areas where we would produce goods for a market which we otherwise couldn't get at all?

Mr. DALE. Yes, if I may answer that, Mr. Chairman; through the establishment of a new Office of International Investment we are concentrating on these problems, particularly in trying to induce American companies to enter into joint ventures or other kinds of investment operations that will be in support of our economic assistance program and that will help to improve and revive, if I may, the private sector in the local country.

We are convinced there is an important relationship here, that it's the most natural thing in the world for some American exports to follow American investment.

First of all, there's American equipment that tends to be used in the investment of American companies abroad. As you pointed out there are subassemblies or parts that are used in the production of American products abroad.

Thirdly, the American company or its associated company tends to establish a distribution system which Dr. Behrman mentioned previously. It sets up a marketing operation which not only provides or penetrates the market for the product they are making but also tends to open up a market often for other products of the parent American company.

Fourthly, we think there is some effect of the presence of an American company or series of American companies in these economies to induce some added preference for American goods in general. Thus, there are all these effects not all of which we can measure with any precision statistically, but we are convinced that in many of these countries American private investment, where it's proper, in association with local private businessmen can make a distinct contribution to the AID program and can be of real assistance in our export growth.

Senator ENGLE. I have the feeling that there is a way to do it, to get around some of this built-in resistance, and different testimony before this committee has led me to believe that in some areas we could get business which otherwise would be wholly unavailable to us. In that way, we could export our technology, our business management, and often supply parts and materials for the oversea outfit.

With reference to the Pacific area particularly, would you have any comment on whether or not it would appear to be better to work country by country, than to try for something in the Pacific comparable to the OECD that we have in the Atlantic Community?

Mr. BEHRMAN. In general, Mr. Chairman, we feel that the time is not ripe for the development of the type of regional associations in the Asian-Southwest Pacific area, which would substantially change our marketing relationships or investment relationships with these countries. We have had some experience in the past—the Government has—with attempting to bring together these countries on an economic basis and it has not been too successful. They are, in our estimation, simply not yet ready for that type of relationship. We are, therefore, still better advised to try to get into the various markets on a bilateral basis; that is, on a market-by-market basis rather than a group basis. I would like Mr. Braderman, though, who has been involved with this area for some time to speak to it if he wishes.

Mr. BRADERMAN. One of the interesting things on this score is the fact that there is a real measure of maturity on the part of the Asian countries with respect to the subject. When the European Common Market hit them the reaction was that they had better do something to counteract it.

In 1958—1959 particularly—there was a lot of discussion on the part of the Asians about forming an association, they weren't quite sure what kind, which would give them a lever to deal with the European Common Market. When they sat around and talked about it as they did in various forums such as the United Nations Economic Commission for Asia and the Far East, they realized that their economies produced by and large the same commodities and they didn't lend themselves to the customs union approach or to a union of the European Common Market type. So they themselves have been going pretty slow on this. The idea of regionalism, such as you suggest, Senator, is one that has appealed to people in this country way back, and has appealed to many people in Asian countries.

As a matter of fact, you may recall that in 1955, I believe it was, the Congress actually appropriated $200 million for a regional fund which we would be willing to make available to the Asian countries and it was pretty hard to spend that money because there weren't that many regional projects on which they could get together. So, past attempts by the United States to create regionalism, even though the countries realized they had a lot in common, they also know they have a lot of things that are different and they are going pretty slow on this.

Senator ENGLE. Governor Harriman testified here yesterday that he was going before the Appropriations Committee today to request some $1.2 or $1.4 billion for AID programs of one kind or another in the Pacific area. Now, it seems to me that if we are putting up that kind of money, we ought to be able to influence, to some extent, the kind of trade community development that would be most beneficial. After the Marshall plan went into action, the OECD was evolved; it had some organizations back of it, as Governor Harriman pointed out, but it seemed to me that it now gives us a basis for some real planning.

That brings me to the next point on which I want to question you. What kind of correlation is there between the Department of Commerce and the Department of State with reference to the expenditure of funds?

We go in there with a billion dollars of AID programs of one kind or another; we know that the investment of that kind of money can and should develop trade; and I would suppose we would follow the policy of trying to buy in the American markets if we are supplying material for them. Let's say we are building a road project some place. If we give them the money and they turn around and buy the material and the machinery that goes into that kind of an operation from Germany, all we are doing is making our balance of payments problems more difficult.

When a program like that is going into some area, it seems to me that the trade opportunities ought to be carefully examined. Let's take the situation in Bolivia. I was down there. They have that mining operation upside down. They have two-thirds of the people on top of the ground and one-third under the ground, whereas it ought to be just the reverse. In addition to that, the technology of mining tin in Bolivia can probably be very much improved. Let's assume that under this program we decided that we are going to try to get the Bolivians into a position where their only cash crop, which is tin, is an exportable item—at the present time they are losing money on it—and we go in to try and help them improve their technology. We have the mining equipment that can do it, but I suppose they could also get it from some of the European countries.

Now, what kind of a liaison does Commerce have to see whether or not we are taking full advantage of those opportunities? Do we have any?

Mr. BEHRMAN. We have in the Department of Commerce an individual who has been appointed, assigned to look after the AID procurement, make certain that we can in effect supply goods from the United States in the AID projects if at all feasible. The AID Agency itself has terms of reference whereby it will attempt, first, to find a U.S. supplier; however, as you pointed out, there are opportunities for longer run association of commercial suppliers in the United States with eventual recipients of AID, and that we feel has not yet been fully coordinated.

I may say though, Mr. Chairman, that the export coordinator which was appointed a few months ago, and I mentioned previously in my testimony, has also the responsibility, being a Presidential appointee, to coordinate all aspects of export policy in the U.S. Government, be they under AID, Defense, Treasury, or whatever.

Senator ENGLE. Who is he?

Mr. BEHRMAN. Draper Daniels.

Senator ENGLE. And is he associated directly with Commerce or State?

Mr. BEHRMAN. He is sitting in the Department of Commerce, office on the secretarial floor, right across from the Secretary, and he and I work very closely on export promotion activities.

Senator ENGLE. Well, does he have the power to knock some heads together?

Mr. BEHRMAN. That remains yet to be seen, I imagine, Mr. Chairman, but under the terms of reference as we see it, yes.

Senator ENGLE. What is his authority? Let us assume that he is just ignored up there. I have seen fellows go into an office and just sit, and they didn't have a piece of paper on their desk and the phone never rang.

Now, we have all seen that happen. What I want to know is whether or not the mechanics are there, and whether or not those mechanics are executed.

Mr. BEHRMAN. The mechanics are there, and the other agencies, Mr. Chairman, have been informed of the powers of Mr. Daniels as of August 23, and therefore we haven't had full experience yet. The man is still learning the ropes but certainly we will supply him with all the information needed to carry this thing into effect.

Senator ENGLE. Well, I am sure Commerce will, but I am not so sure the State Department will. I would prefer his association with Commerce and his office in the State Department. [Laughter.]

Senator ENGLE. Along this same line, do you have any machinery set up whereby the Department of Commerce has direct contact with the commercial attachés? I am not speaking of this material which comes in from all over the world, and then somehow or other days on end later, maybe weeks on end, finally filters down into a place where the intelligence becomes available to the Department of Commerce. I am speaking of a day-by-day liaison in the field itself, where the agency that has the primary responsibility—and in my opinion the primary motivation for increasing our export trade—has an opportunity to get the information and to do something abouti t. Could you describe for the record just what kind of operating procedures you have? You see I suspect that a commercial attaché sitting over there under the State Department, wholly uninterested in his job and completely sidetracked in the line of promotion in the State Department, will get a piece of information, which he will allow to filter back to Washington. It will take 3 weeks to get it here, it will take 4 days for them to get the mail opened, it will take then 5 days to transmit it, and it will take them 7 more days before it filters down and finally lands some place in the Department of Commerce where you will have a fellow who is very eager to get at it and to implement what is being done.

Now, just tell me how you prevent that kind of action.

Mr. BEHRMAN. Mr. Chairman, you and I have had a good many discussions on this and I don't think it would be advantageous to repeat that. Let me turn that question to the man who is supposed to carry out your and my requests in that matter. See how it is actually done. I will ask Mr. Kaplan, who is closer to it in terms of the fact that the people under him are supposed to be in day-to-day contact with the commercial officer. We have had them writing letters, when they come back; for example, after lunch, I myself and the Secretary are talking with the commercial officer back from India, they have a home in Commerce; but on the day-to-day operations maybe it will be an education to me too to see how this is actually carried out.

If you will start out and explain it.

Senator ENGLE. Maybe you can tell us whether my facetious question is nearer to the truth than it is facetious.

Mr. KAPLAN. I think that the atmosphere and environment in which we operate with our friends overseas has been greatly improved within the past year.

Senator ENGLE. There was only one way it could go, and that was up.

Mr. KAPLAN. I think there are a variety of officers serving overseas and that there is a considerable difference in their performance, partially due to just the nature of people and how they operate abroad. But, in my area, which has some exceedingly important markets for the United States, I find that the tempo, the motivation, the means, the wherewithal, for oversea commercial operations has greatly improved in the past 6 months to a year. We do have much closer contact with our people abroad. We write to them regularly; we review their reporting, we make recommendations on staffing, we evaluate their performance, we see them when they come home, we talk to them when we go abroad, we are in contact with them about developing new programs. We constantly review the economic and business conditions in the country. We are the key source of information in the Department, and I would think in Washington as to what the trading climate is in terms of the various regulations and the various barriers to trade. We work very closely with the commercial officers in formulating representations that have to be made to the governments to which they are accredited, where we believe that U.S. business interests are being harmed in some way, either by tariff systems or restrictions or the way in which these are administered. That is one side of it.

On the other side, we are the focal point in the Department for contacts with business people. We are visited by many business people; we carry on a very extensive correspondence with them either directly or through our field offices.

Senator ENGLE. How many people do you have overseas now?

Mr. KAPLAN. In our area, the British Commonwealth Division, which includes the United Kingdom, Canada, Australia, and New Zealand, in all——

Senator ENGLE. Just in round numbers.

Mr. KAPLAN. Round numbers I would say about 10 people—no, about 12.

Senator ENGLE. And how many do we have in Japan? They are our biggest customer over there.

Mr. BARAN. Mr. Chairman, in all of the Far Eastern countries—which includes Japan, Thailand, Indonesia, Hong Kong, Malaya, the Philippines, Taiwan, Korea, Singapore, Laos, Vietnam, and Cambodia—we now have a total of 24 full-time commercial officers. In Japan we have the largest number since, as you earlier observed, it's the second most important market. It's not only we have the largest number in Japan, but also we have some high ranking officers there and we are planning to increase the size of our staff there in the future if we have the funds for such; and also to upgrade so that we can give greater emphasis to our special programs.

Senator ENGLE. They are under the Department of Commerce?

Mr. BARAN. No, sir. These are Foreign Service officers who are engaged in commercial work in these various posts.

Senator ENGLE. In other words, they are under the jurisdiction of the Department of State?

Mr. BARAN. Yes.

Senator ENGLE. So, when you say "we," you are not talking about the Department of Commerce.

Mr. BARAN. Well, we work very closely with these people because the work which they are doing in these areas is almost entirely work involving the promotion of the exports and the investment of the United States So to the extent that they are engaged in this kind of work their day-to-day relations are very closely related to the people in my shop and in other parts of the Department of Commerce who have the responsibilities.

Senator ENGLE. That's exactly what I was trying to find out, just how this thing actually works. It seems to me that we have placed the responsibility for promoting our foreign trade in the Department of Commerce, and we have given the function, so far as the employment of people is concerned, to accomplish that overseas to the State Department.

Now, isn't that the case?

Mr. BEHRMAN. Yes; essentially.

Senator ENGLE. Do you have a copy of that agreement that you fellows finally surrendered to and signed?

Mr. BEHRMAN. No, sir; I don't happen to have a copy of that agreement.

Senator ENGLE. Well, will you get me a copy of that document so that I can put it in the record?

Mr. BEHRMAN. We will be glad to supply you with one, sir; yes.

MEMORANDUM OF AGREEMENT BETWEEN THE DEPARTMENT OF STATE AND THE DEPARTMENT OF COMMERCE ON INTERNATIONAL COMMERCIAL ACTIVITIES, NOVEMBER 15, 1961

PREAMBLE

In fulfilling that role in the conduct of foreign affairs which is prescribed by the President, the Secretary of State must of necessity take into account the oversea interests of many U.S. Government agencies. Concomitantly it is incumbent not only upon him, but also upon other U.S. Government agencies engaged in oversea activities, to enhance to the maximum possible extent the capacity of U.S. Chiefs of Mission to fulfill the broad responsibilities vested in them by the President in his letter of May 29, 1961.

It is agreed that the Secretary of State and the U.S. Chiefs of Mission can most effectively fulfill their responsibilities and represent the oversea interests abroad of U.S. Government agencies by means of a unified Foreign Service operating under the direction and control of the Secretary of Sttae.

In the discharge of his responsibilities the Secretary of State recognizes the need to maximize the flexibility of the unified Foreign Service and thereby increase its capacity to utilize the talents of specialists competent to represent the interests of those Government agencies served by the Foreign Service.

I. OBJECTIVE

The President has directed the executive agencies to place maximum emphasis on enlarging the foreign commerce of the United States in seeking to maintain an overall balance in our international payments. He has charged the Department of Commerce with the leadership within the Government to insure that a vigorous effort be made to expand trade, travel, and investment and "to provide energetic leadership to American industry in a drive to develop export markets." He has called upon the Departments of State and Commerce to proceed jointly to increase commercial representation and facilities abroad. And he has made it clear that Chiefs of Mission shall oversee and coordinate all such activities abroad.

To provide effective leadership, the Department of Commerce is assuming primary responsibility and direction for foreign trade promotion activities at home and abroad, giving due consideration to interests of other agencies.

The Departments of State and Commerce agree that the President's directive can best be carried out abroad by a single oversea service. To fulfill their respective responsibilities, the two Departments undertake to establish new arrangements for the purpose of providing optimum commercial services within the framework of a unified Foreign Service.

To this end the Department of State agrees to develop, with the full participation of the Department of Commerce, a commercial specialist program within the Foreign Service.

### II. ROLE OF THE DEPARTMENT OF COMMERCE IN INTERNATIONAL ACTIVITIES

The Department of Commerce is responsible for promoting the Nation's industry and business, its foreign and domestic commerce, its scientific and technical growth, and a balanced transportation system. The Department helps business and the Government to achieve their mutual aims of full profitable production and full gainful employment. It provides business and Government with information and assistance and it presents the needs of business in the councils of Government and the needs of Government in the councils of business. These functions include both foreign and domestic activity which, in some cases, are so delicately intertwined that it is impossible to separate them.

The Department's principal foreign economic activities center around services to business engaged in international trade, travel, and investment, and participation in the formulation of U.S. foreign economic policy. The Department's role in the first group is predominant; in the second, the Department recognizes the primacy of the Department of State in the field of foreign economic policy and together with other agencies participates in the formulation thereof.

The Department of Commerce will call upon the commercial specialists at Foreign Service posts to fulfill its responsibilities for services to business.

In matters relating to foreign economic policy, the Department of Commerce will rely upon commercial specialists for the information necessary regarding the business interests aspects in this field. In addition, the Department of Commerce will continue to rely to a significant degree upon the economic staffs at Foreign Service posts for the reporting and representation activities that it requires to fulfill its role in the formulation of foreign economic policy. It will continue to consult regularly with the Department of State as to the reporting necessary to meet its needs.

### III. ROLE OF THE DEPARTMENT OF STATE

The President has stated that the relationship of trade, aid, and other aspects of foreign economic policies involve the interests of many agencies of Government, particularly when both foreign and domestic economic considerations are an issue. He also has stated it is essential that interagency consultation and coordination be as meaningful and productive as possible and that the Secretary of State become the focal point of responsibility for the coordination of foreign economic policies. As trade and commercial activity is intimately associated with foreign economic policy, the Department of State must of necessity participate in commercial and trade promotional functions abroad. However, it recognizes the primary role of the Department of Commerce in the promotion of trade, travel, and investment.

In order to avoid duplication, the Departments of State and Commerce will rely upon the unified Foreign Service for their respective oversea needs in these closely related activities.

### IV. COMMERCIAL SPECIALIST PROGRAM

The Department of State recognizes the need for a commercial specialist program within the Foreign Service in order to buttress the President's export expansion program. To develop such a program within the Foreign Service, the Department of State will (a) identify a group of career commercial specialists from the ranks of Foreign Service officers; (b) enlarge the number of appointments into the Foreign Service Reserve from the Department of Commerce and the business world; and (c) incorporate these officers into a commercial specialist program.

It shall be the policy of the Department of State to permit Foreign Service officers who so elect to devote their careers to commercial specialization. This policy will not preclude other assignments from time to time. All Foreign Service officers will be given an opportunity to elect for a career in commercial specialization. The personnel files of officers who so elect will be so identified. Advancement shall be based on merit as commercial officers and on an officer's standing in relation to other members of his Foreign Service class. For those who qualify, such specialization may lead to positions of the highest responsibility in the Foreign Service, including ambassadorships.

### V. BUDGETING FOR FOREIGN SERVICE COMMERCIAL ACTIVITIES

The Department of Commerce will prepare annually an initial estimate of budgetary requirements for the staffing of commercial specialist positions and all related resource needs within the Foreign Service. This estimate will be

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jointly reviewed by both Departments and, subject to the concurrence of the Department of State, will be incorporated in the budget of the Department of Commerce.

The Department of State and the Department of Commerce will jointly support before the Bureau of the Budget and the Congress the approved estimates for the commercial specialist program within the Foreign Service.

The funds appropriated to the Department of Commerce for the commercial specialist program will be reimbursed to the Department of State for use in support of this program.

In the allocation or reallocation of appropriated funds, the Department of State will be guided by the recommendations of the Department of Commerce.

## VI. PERSONNEL ADMINISTRATION OF FOREIGN SERVICE COMMERCIAL ACTIVITIES

### *Recruitment*

The Department of State in accordance with its current operating principles and procedures and in collaboration with the Department of Commerce will undertake to recruit Foreign Service officers at class 8 level for later commercial specialization within the Foreign Service.

The Department of State agrees that it will expand its recruiting efforts, including publicity, visits, and related items, to include the graduates of various universities and colleges giving undergraduate and graduate degrees in Business Administration or Foreign Trade. The Department of Commerce agrees, on its part, to provide the Department of State with recommended lists of such universities and colleges and to make available personnel for service on joint recruitment teams visiting these institutions.

The Department of State working with the Department of Commerce will make a study of the written portion of the Foreign Service officer examination to determine:

(*a*) That its content measures the competence of graduates in business administration or foreign trade;

(*b*) What additional measures may be taken to attract candidates for the Foreign Service interest in commercial specialization.

The Department of State will develop optional sections in the written portion of the Foreign Service officer examination for the benefit of candidates with background and interest in commercial activities. The Department of Commerce will continue to participate with voting rights on oral examining boards.

The Department of Commerce also will continue to recruit businessmen for service abroad as commercial specialists in the Foreign Service Reserve.

### *Appointment, assignment, transfer, and promotions*

The Department of State and the Department of Commerce will continue to work together to strengthen and to encourage commercial specialization in the Foreign Service. In this regard, the Department of State will view commercial specialists as a functional group within the Foreign Service.

The Department of Commerce will recommend to the Department of State employees of the Department of Commerce for appointment as commercial officers in the Foreign Service Reserve. In addition, the Department of Commerce will be primarily responsible for recommending for such appointment businessmen and other nongovernmental personnel possessing suitable background in industry, trade, travel, and investment.

In determining the locations of commercial specialist positions within the Foreign Service, the Department of State will be guided by the recommendations of the Department of Commerce. The Department of State agrees to assign and transfer to these positions those officers who have elected to be commercial specialists or have indicated preference for commercial assignments, and who are recommended by the Department of Commerce. The promotion of these specialists will be governed by the precepts and findings of selection boards on which the Department of Commerce representative will participate, including voting rights on these Boards mutually agreed upon. The Department of Commerce will also participate in the formulation of said precepts.

The Department of Commerce agrees to increase substantially the number of its substantive and nontraining assignments, including those in its field offices, to which Foreign Service officers specializing in commercial work may be assigned on rotation. Foreign Service officers not specializing in commercial work, may be given special assignments, upon agreement between the two Departments, to these or other positions in the Department of Commerce or to oversea positions designated for commercial specialists.

### VII. RESPONSIBILITIES AND DUTIES OF FOREIGN SERVICE COMMERCIAL SPECIALISTS

The responsibilities and duties of commercial specialists are set forth in attachment A to this agreement.

The Department of Commerce, with the concurrence of the Department of State, will prepare a guide for commerical officers containing a detailed, standardized description of duties of commercial specialists and other Foreign Service personnel performing commercial work abroad.

The commercial specialist will be alert to all foreign economic policy matters in which the Department of Commerce has an interest and will participate as appropriate in activities involving such matters.

In the interest of the most efficient servicing of the needs of both Departments, posts may require economic reporting officers to devote a certain amount of their time on activities set forth as responsibilities of commercial specialists. Conversely, it is recognized that commercial specialists may be called upon to devote a certain percentage of their time to economic reporting and representational functions. Such arrangements will be worked out as the need arises.

Chiefs of mission will be reminded of the contributions that can be made by commercial officers in those deliberations which substantially affect the commercial interests of the United States in or with the country of assignment.

### VIII. TRAINING OF FOREIGN SERVICE COMMERCIAL SPECIALISTS AND LOCAL EMPLOYEES

To maximize the talents and capabilities of commercial specialists within the Foreign Service, the Department of State and the Department of Commerce jointly will cooperate to establish in the School of Foreign Affairs of the Foreign Service Institute a Department of Commercial Affairs. It will be chaired by a mutually acceptable nominee of the Department of Commerce. The Chairman, among other responsibilities, will develop the nature and scope of the commercial training program and, upon approval by the Director of the Foreign Service Institute, supervise its implementation and operation.

Commercial specialists will be provided opportunity to participate in the broader training programs of the Foreign Service Institute. Conversely, other Foreign Service officers may participate in the commercial training program. The Department of Commerce will make provision for rotational training assignments in its headquarters and field offices as well as in business organizations throughout the country.

Both Departments agree that local nationals performing commercial work abroad may be brought to this country on a selective basis for training.

The dimensions of the training program will be concordant with funds provided therefor by the Department of Commerce to the Department of State on a reimbursable basis.

### IX. PROCEDURES FOR INSTRUCTING COMMERCIAL SPECIALISTS AND OTHER OFFICERS ENGAGED IN COMMERCIAL WORK

As used ln this agreement, the term "commercial specialist program" relates to the responsibilities and duties of commercial specialists set forth in attachment A to this agreement. Accordingly, the Department of Commerce, with the approval of the Department of State, will normally develop and prepare instructions for carrying out the responsibilities and duties specified in part I thereof; and the Department of State, in consultation with the Department of Commerce, will make appropriate modifications of basic instructions to the Foreign Service, including the Foreign Affairs Manual and the CERP.

The Foreign Affairs Manual and Department of Commerce procedures shall be amended to insure fuller and faster and, where appropriate, more direct response to trade inquiries, including those inquiries referred to the Department of Commerce for reply.

The CERP will be amended by developing a revised section A to provide for those special aspects of the present CERP concerning business services and related commercial interests. This section will include commercial specialist program reporting. The Department of Commerce will originate unscheduled or spot instructions under this section as necessary.

Further, with respect to the CERP, pursuant to the Foreign Service Act of 1946, as amended, and Executive Order 10249 of June 4, 1951, the Department of State will continue to be responsible for foreign economic reporting activities on behalf of departments and agencies of the U.S. Government, and will continue to consult with the Department of Commerce and other agencies in fulfilling this responsibility.

To provide a reasonable balance between available staff and resources abroad and business requests at home, the Department of Commerce agrees to be primarily responsible for control over workload of the commercial specialist program, without prejudice to overall control responsibilities of the Department of State. For this purpose, the Department of Commerce will establish a central point of control as soon as possible.

All communications relating to the commercial specialist program will be identified, processed, reproduced, and transmitted as provided for in Section XII of this agreement. The Department of Commerce will have primary responsibility for action on such communications and will consult with other agencies as appropriate.

Instructions from either Department to officers performing commercial work will be subject to joint clearance when the substance of such instructions has a bearing on the responsibilities of the other Department.

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Both Departments will renew and intensify their efforts to reduce reporting requirements to a level consistent with their most significant and comprehensive needs in order thereby to free commercial specialists for increased direct trade promotional activities.

### X. DIPLOMATIC STATUS, TITLE, AND RANK OF COMMERCIAL SPECIALISTS WITHIN THE FOREIGN SERVICE

To enable commercial specialists to carry out abroad the full range of their responsibilities with maximum effectiveness, the Department of State will seek to obtain for them the diplomatic status and corresponding titles consistent with diplomatic practice, the needs of other U.S. agencies, and the Department's responsibilities. Such titles may include that of Minister for Commercial Affairs when appropriate.

In arriving at a judgment as to an appropriate diplomatic status and corresponding title for a commercial specialist, the Department of State will take fully into account the needs and recommendations of the Department of Commerce.

### XI. INSPECTION OF COMMERCIAL SPECIALISTS AND FACILITIES WITHIN THE FOREIGN SERVICE

The Foreign Service Inspection Corps will continue to be responsible for the inspection of commercial personnel and facilities within the Foreign Service. However, in view of the increasing importance of commercial operations at Foreign Service posts, wherever possible inspection teams should include Foreign Service officers experienced in commercial matters. Officers who have elected to become commercial specialists may be appointed as inspectors. The Department of State will continue to consult with the Department of Commerce in the preparation of instructions covering the inspection of commercial activities. The Department of State also will continue to consult with the Department of Commerce to assure that such instructions appropriately reflect the interests of the Department of Commerce in economic matters.

The Department of State will continue to make available to the Department of Commerce, for its use and comment simultaneously with distribution within the Department of State, those portions of inspection reports which concern the commercial and economic operations of Foreign Service posts.

Additionally, the Department of Commerce may find it desirable to send, from time to time, members of its own Department to observe commercial operations at Foreign Service posts with a view to maximizing the effectiveness of these operations. The observations resulting from such visits will be made known to the officers concerned, to the principal officer at the post, and, simultaneously, to the Departments of State and Commerce.

### XII. COMMUNICATION PROCEDURES

The Departments of State and Commerce recognize the necessity for expeditious communications between Foreign Service posts and the Department of Commerce. The Department of State agrees, within available resources, to provide and maintain such communications facilities and procedures as will enable the Department of Commerce to fulfill its responsibilities.

A new communications caption will be established by the Department of State for communications regarding the commercial specialist program and for support activities of a commercial nature. Communications to be so designated will be specifically set forth in a chapter of the Foreign Affairs Manual and will be identified by the caption "Commercial Program." The Department of Commerce will assume responsibility for the processing, reproduction, distribution, and maintenance and servicing within its own Department, as well as for other interested Government agencies, of all incoming communications transmitted by pouch and identified by this caption. The two Departments will consult as to when these responsibilities will be assumed by the Department of Commerce. The Department of State will continue to process, reproduce, and distribute within the U.S. Government all telegraphic messages so identified.

In consideration of the Department of State's overall coordinating responsibility of Foreign Service activities and necessary control of communications and facilities, outgoing commercial program communications will be signed or initialed in the Department of State for the Secretary. The Department of State will continue to process, reproduce, and distribute within the U.S. Government all outgoing written communications. Incoming nontelegraphic communications captioned "Commercial Program" will be transmitted directly to the Department of Commerce for processing, reproduction, and distribution; the Department of Commerce will be the primary action agency, but will consult with other agencies when appropriate.

Communications not captioned "Commercial Program" but which are of interest to the Department of Commerce, shall continue to be processed, reproduced, and distributed by the Department of State to other agencies to the extent appropriate including assignment of action.

In cases of urgency relating to the commercial program, commercial communications facilities between the Department of Commerce or its field offices and Foreign Service posts abroad may be utilized. The Department of State will be informed by the Department of Commerce or the Foreign Service post, as appropriate of all such direct communications of substance.

Similar communications facilities may be employed by Foreign Service posts in responding directly to urgent inquiries from American businessmen in the United States or elsewhere. In such cases, informational copies of messages will be furnished to the Department of Commerce.

### XIII. DETAIL OF COMMERCIAL OFFICERS TO INTERNATIONAL CONFERENCES AND OTHER MEETINGS

Consistent with the authority delegated by the President to the Secretary of State regarding the selection of persons for duty on U.S. delegations to international conferences, the Department of State, on the recommendation of the Department of Commerce or on its own initiative, will seek the services of commercial officers abroad for such duty in appropriate circumstances. With respect to meetings abroad of nongovernmental organizations and private associations where attendance on behalf of the U.S. Government in an observer capacity appears desirable, commercial officers serving abroad may be designated as appropriate for such service either by the Department of State, on recommendation of the Department of Commerce or otherwise, or by the Chief of Mission from his commercial staff in the country where the meeting is held.

### XIV. LOCAL TRAVEL OF COMMERCIAL SPECIALISTS

The Departments of State and Commerce will encourage commercial specialists to travel extensively in their respective districts in the performance of their official duties and the Department of Commerce will seek the necessary funds for local commercial travel.

Funds made available by the Department of Commerce and designated for local travel connected with commercial activities will be allocated to Foreign Service posts as agreed upon by the two Departments.

### XV. FOREIGN SERVICE LOCAL EMPLOYEES DOING COMMERCIAL WORK

Both Departments recognize the need of having well-trained and experienced local employees performing commercial work abroad. In the recruitment, training, assignment, and grade classifications of such employees, the recommendations of the principal commercial officer at each post will be given full consideration in order to maximize the effectiveness of commercial activities abroad.

### XVI. ADMINISTRATIVE SUPPORT OF THE SPECIAL OVERSEA ACTIVITIES OF THE DEPARTMENT OF COMMERCE

The Department of Commerce, in fulfillment of its responsibilities, engages in certain oversea activities which require administrative support from the Foreign Service: for example, U.S. trade and travel centers; national participation in international trade fairs; trade information centers; trade missions; and market and investment survey teams.

Before such activities are undertaken, the Department of Commerce will obtain the concurrence of the Department of State therefor and will consult with the Department of State to ascertain the availability of support services. Such services will be rendered at a level consistent with funds provided by the Department of Commerce within the resources of the Department of State. The Department of Commerce will reimburse the Department of State for all administrative support services rendered to or in behalf of such commercial activities in accordance with current practices of the Department of State and its instructions, dated March 12, 1955, as amended, entitled "Oversea Administrative Support Principles, Practices, and Cost Estimates."

### XVII. RESIDENTIAL QUARTERS

Both Department recognize the need of commercial specialists for adequate and representational living quarters at the post of assignment abroad. Where Government housing is available commercial specialists will be assigned quarters on an equitable basis commensurate with their rank, representational responsibilities, and family needs.

### XVIII. REPRESENTATION

The Department of Commerce will include in its annual budget request an amount deemed necessary for the representational needs for commercial activities.

Distribution of the representational funds appropriated by the Congress for commercial activities will follow joint review by both Departments.

### XIX. IMPLEMENTATION OF THE AGREEMENT

The Department of State and the Department of Commerce agree, with the concurrence of the Bureau of the Budget, that this agreement becomes effective upon signature, and will be amended as deemed necessary.

DEAN RUSK, *Secretary of State*
(For the Department of State).
LUTHER H. HODGES, *Secretary of Commerce*
(For the Department of Commerce).

[Attachment A]

## RESPONSIBILITIES AND DUTIES OF FOREIGN SERVICE COMMERCIAL SPECIALISTS

### PART I. COMMERCIAL PROGRAM RESPONSIBILITIES

The commercial specialist is primarily responsible for promoting the oversea trade, travel, and private investment interests of the United States, as set forth below.

*A. Operational responsibilities*

1. Conduct the commercial work of the post.
2. Provide the following services for American and local businessmen who request assistance directly from Foreign Service posts:
   (*a*) Give guidance and assistance promptly in finding and establishing business connections.
   (*b*) Provide suitable background information about potential customers, sources of supply, or other potential business opportunities.
   (*c*) Assist in preparing and presenting business proposals.
   (*d*) Where appropriate, arrange appointments and assist in contacts with local government officials.
   (*e*) Prepare prompt and responsive replies to trade inquiries.
   (*f*) Furnish other direct assistance as appropriate.
3. Promote exports of American goods and products; develop trade leads and export opportunities for American businessmen and perform follow-up activity; engage in all necessary institutional promotion of American products.

4. Promote private investment and licensing opportunities.
5. Maintain contact with foreign businessmen and government officials for the purpose of promoting American trade, investment and travel interests, and for protection of such interests abroad.
6. Maintain and operate commercial libraries and files of commercial and economic information for use in assisting American and local businessmen.
7. Travel extensively in area of assignment for the purpose of promoting American commercial interests.
8. Make every effort to bring about the use of U.S. standards and specifications to permit U.S. firms to compete more effectively; make known potential letting of bids and attend bid openings where U.S. firms are involved; gather information on bid practices generally.
9. Encourage participation by U.S. business in local trade fairs and exhibitions and, where feasible, operate trade information centers; provide information and assistance to foreign businessmen and local government officials on trade fairs and exhibitions held in the United States.
10. Take appropriate steps to prevent trade complaints and assist in resolving those that occur.
11. Assist in promotion of travel to the United States.

*B. Support of special oversea activities of the Department of Commerce*

1. Participate in the planning and execution of the trade mission program and exploit fully the trade opportunities and contacts developed by trade missions.
2. Where trade centers are established, provide direction, guidance and substantive support to the trade promotion effort of such centers.
3. Assist in the development and operation of official U.S. trade exhibitions.
4. Where travel offices are established, or travel officers are located, provide appropriate assistance.
5. Assist in the planning and operation of other special oversea activities of the Department of Commerce, such as market and investment survey teams.

*C. Reporting*

1. Prepare all commercial reports of the post, as set forth in amended section A of the CERP, Commercial Specialist Program Reporting, and as otherwise required by appropriate instructions.
2. As appropriate, provide adequate and timely information on business trends, commercial developments, and laws, regulations, practices, and customs affecting U.S. commercial interests.
3. Participate in post reporting responsibilities as set forth in part II of this attachment.

PART II. GENERAL RESPONSIBILITIES

1. Serve as an integral part of the total operation of the post.
2. Participate in the economic work and reporting responsibilities of the post, particularly with respect to:
   (*a*) Pressing for the removal of import and other restrictions and discriminatory treatment which adversely affect U.S. business interests;
   (*b*) Reporting on commercial policies;
   (*c*) Other economic reporting as appropriate.

Senator ENGLE. I expect to have some comment on this as these hearings proceed from time to time, and it just occurs to me that we are not mechanically set up to do the job we ought to do.

How does this information get to you?

Mr. DALE. I was going to make a comment, if I can, Senator, on that point in terms of your earlier reference to machinery.

One of the things provided for in this agreement, and that so far has worked rather well, although it's not wholly enforced because of our not having received appropriations yet, is that the commercial officers abroad who are reporting back to us—us in Commerce chiefly—on trade opportunities abroad, head their communications in a way that puts them into the Commerce channel, and they are then reproduced through the machinery, the large machinery that the State Department has to have, and come directly over to Commerce.

As you point out, we have many eager people who want to get them out to the business community in the publication you have before you, and in other forms.

Now, this does happen pretty rapidly. I don't have average figures to give you, but these communications which are addressed to, and entitled "For Commerce," and are directed toward export promotion, do come through pretty fast, and we in the Commerce Department can handle them and get them out within 24 to 48 hours.

Senator ENGLE. How often do you send people around to these various areas to establish direct contact with the commercial attachés?

Mr. BEHRMAN. Mr. Chairman, we do not now have funds in the Department of Commerce with which we could send any of our people on a trip to talk with, instruct, or visit the commercial officers. We double up in such a way that when one of our people is going out on a trade fair operation he will use that occasion to talk with the commercial officer. The same with the trade mission or the trade center. Or if the Under Secretary or myself, or the Secretary is going over for another purpose, we will couple that trip with that sort of discussion with the commercial and economic officers who generally are in charge—the commercial officers. We have, however, over the past year, and are now in the process of working out with the State Department regional conferences of commercial officers. We held one about a year and a half ago in Hong Kong for the Far East commercial officers. The funding of this was by the State Department for the commercial officers, and the Commerce Department taking over our own people.

Now as I say, generally we don't have funds for this. We have to scrounge them out of our budget one way or another. We have this year asked for funds to support this kind of operation, but as you know the House saw fit not to give them to us.

We are seeking a commercial officers conference in Latin America, one in Africa, and one in south Asia, centered in New Delhi, before the end of this year. So far we have approval from State for the south Asian one in New Delhi. We do not yet have approval for the other two.

At this conference we would take essentially the kind of people you see here in front of you, these people who are directly concerned with the countries: myself, one or two of the bureau directors; and, in one case, the Secretary himself will be in attendance. We will have a 3-day conference and go over the entire gamut of our operations and how those commercial officers should set their own priority at those posts. Once this is through, as we did in London last year, we get quite a different attitude. I myself said, and the Under Secretary said, if you don't get the kind of treatment you feel you ought to, write to us directly. We get a few letters, just enough to indicate there is this receptivity; but not enough to indicate that our staff isn't working as it should.

We have gotten quite a bit of new life in the commercial officers from this kind of association.

Senator ENGLE. I am glad to hear that, and that's why I asked about it, because I just did not see how you could operate at these great distances without establishing some kind of a closer relationship than you could get through the long line of communication.

It just has to be closer, and I am disappointed, of course, and I want to register it again, that we didn't get the commercial attachés where we ought to have them. It is because you just cannot get the kind of steam behind a program where the responsibility—the main responsibility for putting it into execution—is one place and the personnel that has the job of doing it overseas is employed, paid for, promoted, and pensioned eventually, by somebody else. You do not get people to operate with the same kind of speed that they would if they were basically working for you fellows, but if they do not make a good record with their superiors in the State Department, who necessarily will know little of what they are doing inasmuch as their contacts are primarily with Commerce, it just is a balled-up mess. It ought not be that way.

However, we are going to live with it a little while. I will tell you this—I am going to come back with another bill, and I am going to jerk those commercial attachés out of the State Department if it doesn't work.

Mr. BEHRMAN. On this point of new ideas, Mr. Chairman, we talked about a minute ago, and the Commercial Service, there is one thing that has been batting around in our heads for a while now, and that is how you treat the locals.

In many of these posts, the local officers; that is, obtained from the host country, are of equal importance to us as our own people that we have sent out. They know the business community. They will, in fact, be there not for a 4-year term or 6-year term; they will be there for life. In many instances they have been there 18 or 20 years, doing the same type of commercial work for us. Many of them have never seen the United States, the Washington they serve, and the field offices they serve, or talked to the American business community, except the visitor who comes over there.

We are thinking in terms of trying to get a way of rotating the locals so that they can come——

Senator ENGLE. When you are speaking of "locals," say, a Chilean or Indonesian or Filipino or Japanese——

Mr. BEHRMAN. Working in the embassy.

Senator ENGLE. Bringing them over here?

Mr. BEHRMAN. Bringing them over here, and keeping them in Washington, in the Department, for 6 months or a year, where he learns this side of the ropes. When he goes back he knows what he's doing: "I have seen the Secretary. I have seen the field office. I know what I am doing." Whereas now they don't have that kind of rapport.

I will go to the post, meet the commercial officers. They say one of the best things you could do is meet the locals for a minute; let me introduce you to them, so they can see who they serve.

This takes time. I'm quite glad to do it. It does not substitute in my mind for a system where the locals will see the mechanism.

What happens with that export opportunity he was working on so assiduously last month and he didn't get a reply. Let him work on this side for a while, and in the field office. This takes additional funds, but this is the sort of thing we are thinking about for the future.

Senator ENGLE. Do you think it is practical to think in terms of a Pacific trade community without including the countries of Central and South America, especially those in South America on the west coast?

Let me give you an illustration of what I'm talking about.

The Mexican parliamentary group has been up here, and I have been at the Inter-Parliamentary Conference twice, once in Guadalajara, and more recently in Washington and then in Los Angeles. We talked a good deal with the Mexican legislators about various trade problems. They kicked like mules about some things we were doing, and we kicked almost as hard back about some things that they were doing.

They, for instance, regard Japan as a primary market for their cotton, and they do not like what amounts to an export subsidy which we have on our cotton, which is 8½ cents. They did not like the restrictions, for instance, we put on lead and zinc, and some things like that. We think that some of the restrictions they put on us are unwarranted and unfair; in fact, they practically embargo some of our goods.

But, if you are speaking in terms of trying to develop trade in the Pacific, shouldn't those people be included?

Mr. BEHRMAN. Certainly you are quite right that their interests are concerned; and we have seen, particularly in Japan, the penetration into the western part of Latin America, South America, in ways which makes any discussion of trade or even investment or licensing, because this is also coming out of Japan and through Latin America.

It's our feeling again that the orientation in the Trade Expansion Act which puts in essence the Common Market and the rest of the world together is the approach that the United States should continue to hold, and that is think of the entire world as its market except the Sino-Soviet bloc. When we therefore talk about Japan or south and southeast Asia, we must take into consideration not only Latin America but Canada, Canadian relations, because as you say, this is a Pacific trading area.

Senator ENGLE. The Colombo plan is the only one presently in existence where basically all of these nations are included, excepting the Latin American countries; all the others are very much fractionated. It seems to me that Governor Harriman mentioned two or three yesterday. He mentioned two that are connected with the United Nations Organization, and also SEATO, which is basically military, and the Colombo plan. But the Colombo plan is the broadest one.

At the present time, however, there is no organization that has the same characteristics as the OECD operating in the Pacific Community, is there?

Mr. BEHRMAN. That's correct, sir.

Senator ENGLE. I continue to feel that if the OECD was good in the Atlantic Community, that it should be good in the Pacific Community. I am not thinking in terms of setting up a common market, with all the trappings and the legalisms involved; what I am trying to come up with is an organizational structure that will make it possible for us to examine the trade relationships in this whole area, and keep them in focus in the same way that OECD does for the Atlantic Community.

If it works for the Atlantic Community, why shouldn't it work for the Pacific Community?

Mr. BEHRMAN. I think, Mr. Chairman, there is basically one reason why it would not work as well by a long shot as the OECD does for the Atlantic Community, andt hat is basically many of these countries are still becoming countries. They have not identified their own particular interests, much less a regional interest.

It seems to me in any type of organization the members have to know essentially what the role is that they are to play, and they don't know this until they have identified their own internal economic, political, and cultural identify or interest. It takes time. Otherwise they fear when they get into an organization which might have some power that they will lose an identity which they have not yet achieved. Therefore, where you have the OECD you have a different basis. They have their nationalistic past and are now moving into a regional grouping. Even these fear some loss of national identity or cultural identity. But they are willing to risk it. Whereas, in the other areas I think this is a basic underlying reason why they are leery of more formal organizations than what they already have.

Senator ENGLE. Did you speak earlier of a small regional group getting together?

Mr. BEHRMAN. Malaysia; yes.

Senator ENGLE. And how many countries would be in that?

Mr. BEHRMAN. Five.

Senator ENGLE. Is this a federation they were talking about governmentally?

Mr. BEHRMAN. Yes, sir. It's political and economic.

Senator ENGLE. Well, if you get a few more like that, eventually you will have the basis, will you not, for——

Mr. BEHRMAN. I would agree, sir; yes.

Senator ENGLE (continuing). For broader regional cooperation?

Mr. BEHRMAN. Yes, sir.

Senator ENGLE. Do you have any questions, Mr. Levin?

Mr. LEVIN. In the development of new trade in this area, you mentioned that you could only send people abroad at this time when they go to such places as the trade centers.

How often do you send people to the trade centers?

Mr. BEHRMAN. I see these reports, Mr. Levin, but I would have to ask the people directly concerned with the areas to get the numbers out of their heads.

Saul, do you happen to know how often we have sent people over?

Mr. BARAN. It is difficult to be precise on this but, for example, we have in connection with Bangkok sent some people over recently because we were in the process of making preparations for the opening of such a center.

Mr. BEHRMAN. How many trips were taken for Bangkok?

Mr. BARAN. For example, we had, I think, two or three trips by the people who were directly involved in the mechanical aspects of getting the thing together and working out some of the arrangements for the center. Then we had somebody from my division participate in the opening ceremonies at the Bangkok Trade Center in May of this year, together with a Bureau Director, and the head of the National Export Expansion Committee, all of whom took the opportunity to engage in some of these activities which Dr. Behrman referred to earlier.

Mr. LEVIN. Following up on an earlier point: In the trade centers, do the exhibitors pay their own way or does that work the same as a trade fair, where we sponsor an exhibitor to go over there?

Mr. BEHRMAN. They pay the freight, packaging, and so on; we provide the exhibit space.

Mr. LEVIN. That is a permanent space there?

Mr. BEHRMAN. That is right.

Mr. LEVIN. We rotate shows, as I understand it, every month or so.

Mr. BEHRMAN. That is right, but the space is provided, as you say for 4 to 6 weeks, and then we have a hiatus while we prepare for the next show.

Mr. LEVIN. I know that in your request for budgetary funds this year you have requested money for your own trade fairs, to enable you to organize and set them up. How many of those that you have requested would be in the Pacific area?

Mr. BEHRMAN. I haven't got that list with me, Mr. Levin. I am trying to reconstruct it out of my head, but there were 12 requested, or 13—13 requested. The first one would be in Caracas and we couldn't get into that one in any case now; there would be 12 left. Of the six in the first half of the year we can't get into but three of those because of the time lapse in the appropriations, and I think one of those is in the Far East area; the latter half right now, with the funds that the House has given us we can't even go into the last half of 1963; so literally, with the funds given us we have only one out of three that we could go into the Far East.

We had programed, however, as I recall, 3 out of the 12 in the Far East area.

Mr. LEVIN. That is what I was looking for. I was wondering whether you feel that this is the area where we can sell?

Mr. BEHRMAN. Certainly this is an area in which there is a market potential that we have not touched, and a trade fair is a valuable technique here.

Mr. BRADERMAN. There are all kinds of different criteria you can use to decide where you are going to go, but the two major points you have got to consider are: (1) where have you got a market now? If you want to ring the cash register now where do you go? It is obvious we have large market potentials and in terms of the numbers of dollars you can create by effort immediately in a country like Japan it far exceeds what you can do in a country like Indonesia, for example.

But also you have to build for the future and this is another thing that guides us in deciding where we are going to go. If we think there is going to be a potential we better get in on the ground floor now. We better make sure that American companies have an opportunity to show their name brands, show the local people what we produce. Maybe they can't afford to buy today, but what they buy tomorrow is going to be determined by what they learn today about what is available.

West Germany, Belgium, other countries are going into many of these markets. It is important for us to get our foot in the door that way. That is why we go into some countries to show our wares, even though, as I say, we can't ring the same kind of cash register today as we show in Japan.

Mr. LEVIN. We show in Japan every year, don't we?

Mr. BRADERMAN. Yes.

Senator ENGLE. Could you give the committee the figures which show what our exports are into the Pacific area, to these major countries, and the source of the exports?

Senator Yarborough, of Texas, was here yesterday, and we may have some of that in Governor Harriman's testimony, but would you check it with Mr. Levin? What I am interested in is trying to find out where the goods now being exported come from.

For instance, we export cotton from California—as well as a great many other things—but I know Texas puts out more than we do on cotton going to the Far East. I would like to find out, if I can, what the total volume of exports, both manufactured articles and agricultural products, is out of the State of California.

Do you have those figures?

Mr. BEHRMAN. We can do this, but we cannot do it by destination. We can show and are able to show the total exports out of California. We can't say where they go. We can say, on the other hand, the total exports into Japan, but we can't say precisely which States they come from. Our census data is not broken down that finely, Senator.

Senator ENGLE. Do we have those figures, Mr. Levin?

Mr. LEVIN. I have some figures that are put out by the United States-Japan Trade Council. For instance, California in 1960 sent to Japan $30 million of cotton; $23 million of aircraft; agricultural products aside from cotton was $13 million, that included oils, food, feeds, grease and tallow; machinery was $11 million; metal and scrap, $11 million; chemicals, $9 million; petroleum products, $9 million; and wood and lumber products, I think we should put an asterisk on wood and lumber products, $3 million.

Mr. BEHRMAN. These are calculated, it is my understanding, Mr. Chairman, on export studies made by the Department of Commerce and are therefore really extrapolations from data, rather than data themselves. They are in a sense an estimate of what would have been the case if California had exported its pro rata share of an aggregate going into Japan.

But the actual figures of import or export shipments by State we do not have.

Mr. LEVIN. You have the material you made up for each of the 50 States, I believe, showing the total exports of each.

Mr. DALE. To all destinations.

Mr. BEHRMAN. And this would be broken out on a pro rata basis, assuming that that was the way it was done, but it would not be accurate.

Mr. LEVIN. That is all I have.

Senator ENGLE. I would be interested in having those figures. You say that you cannot tell us where the goods go, but you can tell us how much we ship out of California; is that correct?

Mr. BEHRMAN. Out of the ports we can tell, but what goes out of the ports of California didn't necessarily grow in California.

Senator ENGLE. Yes, because California might have material coming in from Arizona or elsewhere.

Mr. BEHRMAN. They might be exporting Texas cotton out of the ports.

Senator ENGLE. Yes.

Mr. BEHRMAN. And that would show out as an export out of the California ports. Then we have the broader data which has been supplied before on export origins of various broad industry categories by State. That would not be port data at all.

Mr. DALE. And those are only for manufactured goods, sir.

Mr. BEHRMAN. Those are only for manufactured goods, sir. We have agricultural estimated in aggregate, not broken down. Then we have the country data, that is the importing country data abroad broken down by commodity in their statistics, but it does not show what port it came from.

These three sets of statistics have not been woven together to break them down into the type of information you want. It would be very costly to do so.

Senator ENGLE. Without too much trouble, could you get me the figures, say, on Washington, Oregon, and California, as to exports out of the ports and as to total manufacturing exports?

Mr. BEHRMAN. Yes, sir.

Senator ENGLE. Would you do that and supply it for the record?

Mr. BEHRMAN. I would be glad to.

# FOREWORD

In response to many requests from the Congress and the public for information regarding exports from each of the States, the Department of Commerce has prepared a series of export origin studies. The Department has had the valuable assistance of the Departments of Agriculture, Labor, and Interior in the preparation of these interesting studies showing the value of manufactured, agricultural, mineral, and fishery exports from each of our 50 States and, where possible, their sub-divisions.

On the import side, the relevant information is of a very different nature. The most meaningful measure of the importance of imports to the economy of a State or its sub-divisions is in terms of the particular area's share of total domestic production of the related imported item. Tabulations of the relationship between total national production and imports of manufactured goods have been published by the Bureau of the Census for 1958 and currently are being brought up-to-date on a national scale by Census for public release in the next few weeks.

The section of each study dealing with manufactured exports is based on a nationwide survey of export origin by the Bureau of the Census. This survey is the first of its kind in our history, and has provided comprehensive data never before available on a national scale.

The studies show that exports originate in every one of our States in significant quantities, and thereby contribute to the economic well-being of American businessmen, workers and communities.

These studies relate to exports which have occurred in the recent past, and do not indicate the increasing opportunities to expand our international trade. Yet, the whole fabric of world trade is changing rapidly. For example, the creation of the European Common Market, with its potentials for economic growth, presents American business and labor with a great opportunity to increase exports to help satisfy the growing European demand for goods and services.

The United States enjoys a substantial surplus in its merchandise trade with the rest of the world. In 1961 our merchandise exports exceeded our merchandise imports by about $5 billion. This surplus is essential to the national security of the United States because it helps us pay for our military and economic aid and other national commitments abroad. These commitments, of course, are designed to help assure security of the Free World and to assist the less-developed nations to achieve higher standards of living and to develop their markets.

Despite a favorable trade balance, however, the United States has been experiencing a deficit in its international accounts. Settlement of this deficit has led to an outflow of United States gold and dollars. To alleviate this outflow, it is vital that we increase our exports. Thereby, we will further increase our trade surplus and help to pay for our international commitments without the necessity of settling in gold.

Exports benefit domestic employment, lead to profits for our businessmen, pay for our imports, and help pay for our national commitments. Importantly, they also strengthen the United States and its allies.

Today, the Soviet Union and members of the Communist bloc are engaged in a campaign to "bury us" through economic warfare. They are increasing their trade throughout the world. They feel that through trade they can generate alliances and allegiances. Our country must counterattack with a trade offensive of its own, and exports must be our weapon.

Thus, international commerce has become both an important key to prosperity and economic growth here at home and to the vitality and cohesiveness of peace-loving nations everywhere. A step toward an increase of international commerce is a step toward a stronger America and a stronger Free World.

Luther H. Hodges
Secretary of Commerce

February 1962

## IMPORTS AND THE AMERICAN ECONOMY

Imports, directly or indirectly, are in daily use in every American home, factory, office, and farm. They are essential to our economic growth; they contribute to our security. Without imports, we would be lacking many raw materials required for our manufacturing industries, foodstuffs necessary to enrich our diet, and finished consumer goods important for our physical comfort. U.S. imports in recent years have constituted only about 3 percent of our gross national product, but they supplement decisively our own resources. Lacking them, fundamental changes would be necessary in our national life.

### Competitive Aspect of Most Imports Minor

Most U.S. imports--60 to 65 percent--are basically non-competitive with domestic production. They are goods which are not produced at all in the U.S., goods on which the U.S. depends heavily for the bulk of its supplies, and goods which are essential for minimizing producers' material costs.

The remainder--between $5 billion and $6 billion, or less than 2 percent of our gross national product--offers varying degrees of competition with domestic production.

In 1960, nearly $7 billion, or almost half of our imports consisted of crude materials and semimanufactures requiring further processing in U.S. manufacturing plants before ultimate consumption. Another $3¼ billion represented imports of crude and manufactured foodstuffs, most of which are either not produced in the U.S. or are produced in insufficient quantities for our needs. The remaining $4½ billion represented imports of finished manufactures.

Among the industrial raw materials for which we depend largely on imported supplies are such essential commodities as natural rubber, manganese, chrome and industrial diamonds. We now obtain from foreign sources the great bulk of our supplies of tin, nickel, and newsprint, over one-half of our raw wool, one-third of our iron ore and copper, and one-fifth of our crude petroleum.

Our dependence on many of these materials from abroad is growing. For example, imports of bauxite--the material from which aluminum is made--amounted to 65 percent of our new supply in 1950; in 1960, imports were 81 percent of the total.

Imported raw materials are also necessary for the production of numerous items familiar to consumers. To build an automobile, for example, over 30 key imported materials are required. For a modern telephone, nearly half of the crude materials are obtained from foreign countries.

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The use of imported materials helps reduce the cost of many finished products to industry, to farmers, and to ultimate consumers alike. Many of our raw material imports supplement scarce resources in the U.S. Their availability not only helps conserve these resources, but also makes possible the use of basic industrial materials at a cost considerably lower than if our supply were limited to domestic resources. Many commodities included in the Nation's stockpile of strategic defense materials are obtained exclusively from abroad.

Among the foodstuffs which we import, in recent years from two-fifths to nearly one-half have consisted of tropical products--coffee, tea, cocoa, bananas, spices--for which foreign sources provide the entire supply. Roughly one-half of our sugar and nearly as much of the fish marketed in this country is of foreign origin.

Benefits Derived from Competitive Imports

Directly competitive imports are mostly of manufactured goods, which increased from $2.8 billion in 1957 to $4.5 billion in 1960, following the reemergence of Europe and Japan as major world suppliers. Many of these imports--German cars, French perfumes, English woolens, Japanese zoris (sandals), Swedish glass, for example--present the American consumer with a wider range of taste and style than he would otherwise have. Often these new products stimulate new production here in the U.S. as was the case with the current range of American compact cars.

Competitive imports also stimulate our growth and efficiency by encouraging a shift of investment away from low-wage, less competitive sectors of the economy and towards high-wage, growth industries where there exists the prospect of higher earnings derived from clear technical and technological advantages. Furthermore, during a boom phase of the business cycle, imports help relieve supply shortages and mitigate inflationary price movements. At the beginning of the Korean conflict, for instance, the availability and prompt delivery of European steelmill products was of notable assistance in avoiding serious production bottlenecks.

Of prime importance is the fact that imports provide dollar exchange needed by foreign customers to purchase our goods. At least three-quarters of our growing exports in recent years have been paid for with dollars earned from foreign sales to us. Our export sales, in fact, in a large degree depend on our ability to import.

In summary, the importance of imports to the U.S. economy has been succinctly stated by President Kennedy in his speech before the National Association of Manufacturers in New York City last December, "We need imports if other nations are to have the money to buy our exports and the incentive to lower their own tariff barriers...We need imports to give our consumers a wider choice of goods at competitive prices. We need imports to give our industries and defense establishments the raw materials they require at prices they can afford--and to keep a healthy pressure on our own producers and workers to improve efficiency, develop better products, and avoid the inflation that could price us out of markets vital to our own prosperity."

EMPLOYMENT AND FOREIGN TRADE

The Bureau of Labor Statistics has estimated that the employment required in exporting the more than $20 billion of merchandise exported from this country in 1960 was the equivalent of 3.1 million jobs.

This estimate represents the average employment throughout the year 1960 attributable to the production, transportation and marketing of goods for export. The number of workers who were engaged in export employment at some time during the year was, of course, far larger than the figures indicate.

Of the 3.1 million total, almost half were involved directly in producing, transporting, or marketing the exported goods, with the other half in supporting industries -- e.g., making the steel contained in exported machinery, the tires and upholstery fabric on an exported automobile, etc.

The BLS estimates do not include the extensive additional employment resulting from the income-generating effects of export-related employment, i.e., employment required to produce food, clothing, housing, etc. purchased by workers whose jobs are related to exports. Such inclusion would significantly increase the estimated employment affects.

Most of the jobs attributable to exports were in non-farm industries (2.1 million). An estimated 1.3 million jobs were in manufacturing industries and 0.6 million of these were directly related to production for export. The individual manufacturing groups which stand out as making the heaviest contributions to export employment are chemicals, primary metals, all types of machinery, and transportation equipment.

These figures represent an estimated number of jobs, directly and indirectly, supported by exports. However, the role of exports in the American economy is far more important than is indicated simply by these figures. The export business of many manufacturing establishments may provide the margin which makes the entire enterprise profitable. A Bureau of the Census Survey shows that at least 6 million workers are employed in manufacturing plants that export. This Census Survey covered manufacturing plants employing more than 100 workers and exporting more than $25,000 in 1960.

Exports, based on the Census Survey, are not concentrated in just a few plants in a few localities, but occur in every one of the 50 States. It is clear that U. S. exports affect the economic wellbeing of workers and businesses in almost every community. About 650,000 jobs in manufacturing establishments are directly dependent on exports, according to BLS estimates, and a like number in these or other manufacturing establishments are producing components to be included in exported products. In addition, a large portion of the export jobs accounted for in agriculture, trade, transportation and other nonmanufacturing activities are required to provide the raw materials and to perform other operations needed in exporting the $15.5 billion of manufactured products.

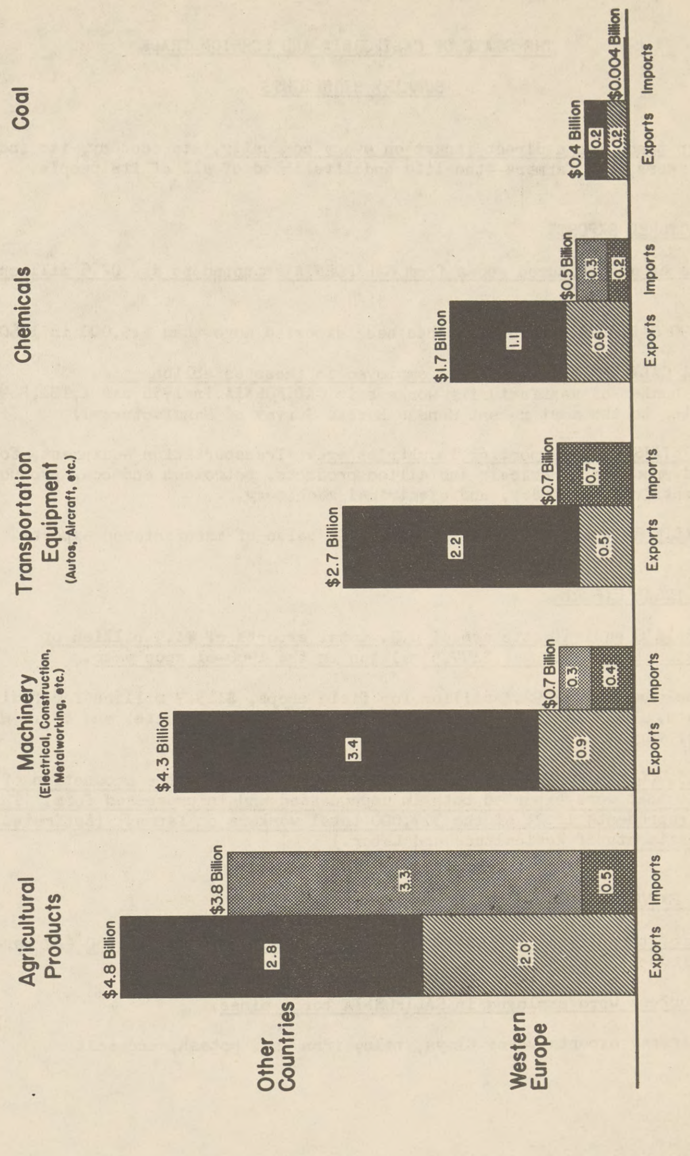
The imperative need we face is to create about five million new jobs every year for the next several years. The growth in trade envisaged by the Trade Expansion Act will provide a significant number of these new jobs necessary to full employment.

The effect of imports on the employment is more difficult to measure, primarily because of difficulties in determining precisely which of our imports are competitive with domestic production. We suffer no job loss at all, for example, from imports such as coffee and tin -- which we do not produce at all -- or from imports such as newsprint, which we do not produce in sufficient quantities to meet our domestic needs. These imports actually create jobs for those handling and processing such imports.

The employment picture in industries producing items affected by imports is further clouded by the fact that circumstances other than imports, principally technological change, may also significantly affect employment in those industries. Thus in the textile industry, while employment has declined since 1953 by two hundred thousand workers, domestic production has remained almost constant. Some of this reduction in employment is unquestionably related to the increase in textile imports, but separating the impact of imports from that of technology in such an industry is obviously not an easy task.

If American businessmen cannot compete for the growing purchasing power of the European Common Market and other areas and if we cannot find expanding outlets for the goods of an expanding economy, this Nation's economic growth will be slowed and American labor will be adversely affected.

EXPORTS FAR EXCEED IMPORTS FOR MAJOR COMMODITY GROUPS




Just over one-third of U.S. imports are considered to be directly competitive with domestic production.

Note: Data relate to 1960.

## THE STATE OF CALIFORNIA AND FOREIGN TRADE

### SUMMARY HIGHLIGHTS

Foreign trade has a direct impact on every community, its economy, its industries, its workers, its farmers--the life and livelihood of all of its people.

#### MANUFACTURED EXPORTS

Exports of manufactured goods from CALIFORNIA amounted to $1,302.6 million in 1960.

490 CALIFORNIA establishments each exported more than $25,000 in 1960.

385,524 CALIFORNIA workers were employed in these establishments. (Total number of manufacturing workers in CALIFORNIA in 1958 was 1,181,869, according to the most recent Census Bureau Survey of Manufactures.)

CALIFORNIA'S major exporting industries are: Transportation equipment, food and kindred products, chemicals and allied products, petroleum and coal products, non-electrical machinery, and electrical machinery.

CALIFORNIA ranked 3d in the Nation in value of manufactured exports.

#### AGRICULTURAL EXPORTS

CALIFORNIA'S equivalent share of U.S. total exports of $4.9 billion of agricultural products was $477.5 million in the 1960-61 crop year.

Included were $292.4 million for field crops, $113.9 million for fruits and nuts, $39.5 million for livestock and livestock products, and $31.7 million for vegetables.

About 45,900 CALIFORNIA farm workers may be attibuted to the production of farm products that were exported both in unprocessed and in processed form. This number represents 12.2% of the 377,000 total workers on farms. (Estimates by the Departments of Agriculture and Labor.)

#### MINERAL EXPORTS

Exports of boron from CALIFORNIA amounted to $22.3 million in 1960 (47 percent of total production).

1,500 workers were employed in CALIFORNIA boron mines.

Other mineral exports were: Clays, talc, iron ore, potash, and salt.

FISHERY EXPORTS

Exports of fishery products from CALIFORNIA establishments were valued at $5.4 million in 1960.

The following individual companies are illustrative of those which contribute to the merchandise exports of CALIFORNIA. They have extended permission to be identified as companies participating in direct exports.

ANAHEIM
- Altec Lansing Corporation--Electronic sound equipment and devices
- Interstate Engineering Corporation--Appliances and service industry machines
- Neville Chemical Company--Plastics materials, synthetic resins

ARCATA
- Foster Wheeler Corporation--Petroleum cooling tower components

BERKELEY
- Berkeley Pump Company--Pumps, air and gas compressors, pumping equipment
- California Ink Export Co.--Printing inks and colorants for paint industry
- Colgate-Palmolive Company--Soap, detergents, cosmetics

CHICO
- Mathews Conveyer Company--Conveying equipment

CONCORD
- Systron-Donner Corporation--Electric transmission and distribution equipment

DOWNEY
- Cee-Bee Chemical Co., Inc.--Aircraft cleaning compounds
- Federal-Mogul-Bower Bearings, Inc. (REDWOOD CITY Division)--Oil seals

EMERYVILLE
- International Harvester Company (STOCKTON Division)--Farm machinery and equipment, motor vehicles

FONTANA
- Kaiser Steel Corporation (NAPA Division)--Primary metal products

GARDENA
- Minneapolis-Honeywell Regulator Co. (DUARTE Division)--Electronic controls and systems

HAYWARD
- Chris-Craft Corporation--Motor boats

HUNTINGTON PARK
- California Vegetable Concentrates, In., (MODESTO and SATICOY Divisions) --Dehydrated vegetables

LA JOLLA
Daystrom, Inc. -- Computer control of industrial processes

LOLETA
Foremost Dairies, Inc. (Also at HUGHSON, LOS BANOS, OAKLAND, SAN FRANCISCO)
--Dried and canned milk, cheese, chemicals

LONG BEACH
Procter & Gamble Manufacturing Co. -- Soap and other detergents

LOS ANGELES
Andrew Brown Co. -- Lacquers, enamels, primers, allied products
Anheuser-Busch, Inc. -- Malt beverages
Baker Commodities (Also at KERMAN) -- Animal byproducts
Baker Oil Tools, Inc. -- Oil and gas well tools and equipment
Cannon Electric Co. -- Plugs and related electrical parts and equipment
Chain Belt Company --Mechanical power transmission equipment
Columbia Broadcasting System, Inc. -- Phonograph records
Deere & Company -- Farm machinery and equipment
Fairchild Camera & Instrument Corp. (Also at MOUNTAIN VIEW) -- Electronic equipment
FMC Corporation (Also at NEWARK, FRESNO, RICHMOND, SAN JOSE) -- Variety of chemicals and non-electrical machinery
Ford Motor Company (Also at SAN JOSE) -- Passenger cars and trucks
Garrett Corporation -- Electric lamps
Harnischfeger Corporation -- Construction machinery and equipment
Joe Lowe Corporation -- Sticks, bags, and flavors for Popsicles
Luberfiner, Inc. -- Oil filters and oil filter elements
Maremont Corporation -- Rebuilt clutch products
North American Aviation (Also at DOWNEY)
Richfield Oil Corporation -- Diesel and fuel oils
Waste King Corporation -- Garbage disposers, dishwashers, and flight data recorders for jet aircraft

MODESTO
Campbell Soup Company (Also at SACRAMENTO) -- Processed food products

MONTEBELLO
Macomber, Inc. -- Steel construction component parts

NEWARK
Pacific Garland Foundry Company -- Highway and off-highway motor trucks and parts

NIMBUS
Libby, McNeill & Libby (Also at GRIDLEY, SACRAMENTO, SELMA, SUNNYVALE)
--Processed canned and frozen foods

NORTHRIDGE
Rexall Drug & Chemical Company -- Drugs

<u>OAKLAND</u>
Transamerica Corporation -- Diesel engines and parts

<u>ONTARIO</u>
Sunkist Growers (Also at <u>CORONA</u>) -- Citrus products

<u>PASADENA</u>
Air Logistics Corporation -- Ground support equipment for aircraft
Avon Products, Inc. -- Soap, detergents, perfumes, cosmetics

<u>RICHMOND</u>
Atlas Chemical Industries, Inc. -- Explosives
Beckman Instruments, Inc. (Also at <u>PALO ALTO, FULLERTON</u>) -- Electric measuring instruments and test equipment
Standard Oil of California (Also at <u>BAKERSFIELD, EL SEGUNDO, OILDALE</u>)

<u>SACRAMENTO</u>
Western Machinery Company -- Processing and coal-washing equipment

<u>SAN DIEGO</u>
COHU Electronics, Inc. -- Communications equipment
Electro Instruments, Inc. -- Electric measuring instruments and test equipment
General Dynamics Corporation -- Aeronautical services for aircraft

<u>SAN FERNANDO</u>
International Telephone & Telegraph Corporation -- Electric transmission and distribution equipment

<u>SAN FRANCISCO</u>
California Packing Corporation -- Food and kindred products
Dow Jones & Company, Inc. -- Newspapers
Bartlett-Snow-Pacific -- Gray iron castings
Leslie Salt Company -- Crude salt in bulk
Raytheon Company -- Electronic communications equipment
Jabez Burns & Sons, Inc. -- Sheet metal work
Schlage Lock Company -- Safes and vaults
Standard Brands Incorporated (Also at OAKLAND) -- Prepared food products
Victor Equipment Company (Also at <u>BERKELEY, NORWALK</u>) -- Machine tools

<u>SAN JOSE</u>
Dole Corporation (Also at OAKLAND) -- Canned fruits, vegetables, and juices
International Business Machines Corporation -- Business machines
International Minerals & Chemical Corporation -- Monosodium glutamate

<u>SAN LEANDRO</u>
Friden, Inc. -- Computing and accounting machines
General Foods Corporation -- Prepared foods

<u>SANTA CLARA</u>
Federal Pacific Electric Company -- Oilfield machinery and equipment

SANTA FE SPRINGS
Wilshire Oil Company of California -- Petroleum products

SANTA MONICA
The Gillette Company -- Ballpoint pens and refills
Plastics Glide Corporation -- Miscellaneous plastics products

SAUSALITO
E.D. Bullard Company -- Industrial safety equipment

SELBY
American Smelting and Refining Company (Also at SAN FRANCISCO) -- Primary metal products

SIGNAL HILL
MacMillan Ring-free Oil Company, Inc. -- Asphalts and fuel oils

SOUTH GATE
Continental Can Company, Inc. (Also at OAKLAND, SAN JOSE, SAN PEDRO) --Metal cans, paper and paperboard receptacles
Rheem Manufacturing Company -- Water heaters

SOUTH SAN FRANCISCO
Merck & Company, Inc. -- Industrial inorganic chemicals

STOCKTON
The Mohawk Rubber Company -- Camelback

SUNNYVALE
Paterson Parchment Paper Company -- Paper products

TORRANCE
Armco Steel Corporation -- Oilfield machinery and equipment
Harvey Aluminum -- Rolled, drawn, and extruded aluminum
Hi Shear Corporation -- Aircraft fasteners
Mobil Oil Company -- Petroleum products

TRACY
H.J. Heinz Company -- Processed foods

VENICE
Litton Industries, Inc. (Also at SAN CARLOS, VAN NUYS, CANOGA PARK) --Variety of electrical components and devices

Revell, Inc. -- Plastic hobby kits

VISALIA
McQuay, Inc. -- Air-conditioning units and refrigeration equipment

WEST SACRAMENTO
Rice Growers Association of California (Also at BIGGS) -- Rice

See end of report for additional firms that extended permission to be identified as participating in direct export.

State of California

Exports and Employment of Manufacturing Establishments Reporting Exports,
Estimated Total Exports of Manufactured Products, 1960, and Total Manufacturing Employment in 1958

| Industry group | Establishments Reporting Exports in 1960(1 | | Estimated total exports of manufactured products, 1960(2 | | | | 1958 Census of Manufactures All employees | | |
|---|---|---|---|---|---|---|---|---|---|
| | Exports value ($mil) | All employees number (1,000) | Value ($mil | Percentage of U.S. total(3 | Percentage distribution in State | Rank in State | Number (1,000) | Percentage of U.S. total(3 | Percentage distribution in State |
| Food and kindred products | 86.8 | 20.1 | 180.5 | 11.4 | 13.9 | 2 | 157.7 | 9.1 | 13.3 |
| Tobacco products | - | - | - | - | - | - | .1 | .1 | - |
| Textile-mill products | - | - | 3.2 | .7 | .2 | 18 | 5.4 | .6 | .5 |
| Apparel and related products | - | - | 9.0 | 4.2 | .7 | 13 | 56.9 | 4.8 | 4.8 |
| Lumber and wood products | 3.6 | 2.0 | 14.8 | 10.0 | 1.1 | 11 | 51.6 | 8.9 | 4.4 |
| Furniture and fixtures | - | - | 3.3 | 7.8 | .3 | 17 | 27.5 | 7.9 | 2.3 |
| Paper and allied products | (4) | (4) | 6.4 | 1.6 | .5 | 14 | 24.5 | 4.4 | 2.1 |
| Printing and publishing | (4) | (4) | 6.0 | 4.4 | .5 | 16 | 64.2 | 7.4 | 5.4 |
| Chemicals and allied products | 92.3 | 16.7 | 123.3 | 6.9 | 9.5 | 3 | 32.6 | 4.7 | 2.8 |
| Petroleum and coal products | (4) | (4) | 113.3 | 20.4 | 8.7 | 5 | 20.7 | 11.6 | 1.8 |
| Rubber and plastics products, n.e.c. | 3.1 | 6.8 | 10.7 | 3.7 | .8 | 12 | 23.8 | 6.8 | 2.0 |
| Leather and leather products | - | - | 1.1 | 1.3 | .1 | 19 | 5.8 | 1.7 | .5 |
| Stone, clay, and glass products | 5.2 | 2.9 | 6.3 | 3.3 | .5 | 15 | 41.3 | 7.4 | 3.5 |
| Primary metal industries | (4) | (4) | 43.6 | 4.0 | 3.3 | 8 | 46.4 | 4.2 | 3.9 |
| Fabricated metal products | 21.6 | 22.7 | 33.4 | 6.6 | 2.6 | 9 | 85.0 | 8.0 | 7.2 |
| Machinery, except electrical | 61.9 | 32.3 | 84.8 | 2.9 | 6.5 | 6 | 78.7 | 5.8 | 6.7 |
| Electrical machinery | (4) | (4) | 45.1 | 4.5 | 3.5 | 7 | 85.5 | 7.6 | 7.2 |
| Transportation equipment | (4) | (4) | 476.5 | 18.0 | 36.5 | 1 | 264.6 | 17.0 | 22.4 |
| Instruments and related products | (4) | (4) | 22.2 | 5.2 | 1.7 | 10 | 18.1 | 6.1 | 1.5 |
| Miscellaneous manufacturing | 10.2 | 35.8 | 119.1 | 24.6 | 9.1 | 4 | 91.4 | 16.0 | 7.7 |
| Undistributed* | 525.0 | 246.2 | - | - | - | - | - | - | - |
| Total | 809.7 | 385.5 | 1,302.6 | 8.4 | 100.0 | | 1,181.8 | 7.7 | 100.0 |

1) Establishments with 100 or more employees which exported $25,000 or more in 1960.
2) See accompanying table for explanation of these estimates.
3) Percent of U.S. total in each industry group.
4) Data withheld to avoid disclosing figures for individual companies.

* Not distributed by industry group.

Source: U.S. Department of Commerce.

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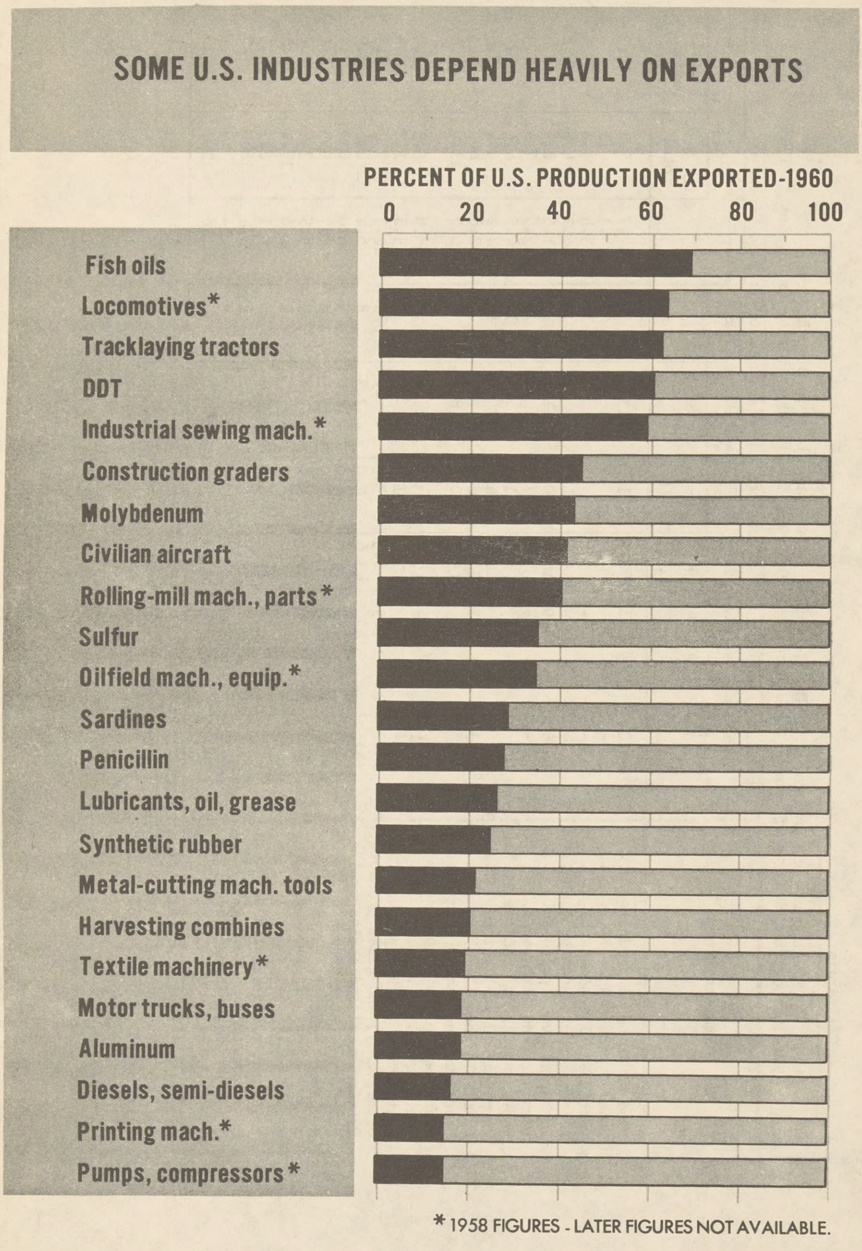

SOME U.S. INDUSTRIES DEPEND HEAVILY ON EXPORTS
PERCENT OF U.S. PRODUCTION EXPORTED-1960
0
20
40
60
80
100
Fish oils
Locomotives*
Tracklaying tractors
DDT
Industrial sewing mach.*
Construction graders
Molybdenum
Civilian aircraft
Rolling-mill mach., parts*
Sulfur
Oilfield mach., equip.*
Sardines
Penicillin
Lubricants, oil, grease
Synthetic rubber
Metal-cutting mach. tools
Harvesting combines
Textile machinery*
Motor trucks, buses
Aluminum
Diesels, semi-diesels
Printing mach.*
Pumps, compressors*
* 1958 FIGURES - LATER FIGURES NOT AVAILABLE.

MANUFACTURED EXPORTS*

U. S. exports of manufactures made up more than 75 percent of total exports for the year 1960. These manufactured exports were valued at $15.5 billion, f.o.b. plant.

Nationally, the six largest industry groups were: Non-electrical machinery ($2.9 billion); transportation equipment ($2.7 billion); chemicals and allied products ($1.8 billion); food and kindred products ($1.6 billion); primary metals ($1.1 billion); and electrical machinery ($1.0 billion).

Approximately 6 million workers were employed in U. S. manufacturing establishments each of which exported $25,000 or more in 1960. Thus, one out of every three industrial workers in the United States was employed in plants which produced for export. These plants accounted for about 45 percent of all U. S. manufacturers' shipments in 1960.

These facts were revealed by a recent survey of the geographic origin of U. S. exports of manufactures conducted by the Bureau of the Census. Nearly 8,000 manufacturing establishments, reporting two-thirds of U. S. manufactured exports, responded to this survey, the first of its kind in the United States. Regional and State distributions of exports for the remaining one-third were estimated by the U. S. Department of Commerce.

The following analysis is based on data from this survey.

THE STATE OF CALIFORNIA

The State of California has a substantial interest in the business of exporting, as well as in the markets which foreign trade opens up for its industries. The two great harbors of Los Angeles and San Francisco alone represent an investment of well over $350 million, and planned expansion and improvement of the two facilities will increase this to about $450 million in the next few years.

In its Annual Report for the fiscal year ending June 30, 1960, the Board of Harbor Commissioners of the port of Los Angeles announced a $35 million five-year expansion and improvement of harbor facilities already valued at over $155 million. The San Francisco Port Authority has announced an expansion and improvement program already in progress which will add $50 million in new facilities to their $200 million harbor during the next few years.

Total value of exports from California in 1960 was estimated at $1,302.6 million. A total of 490 establishments, exporting $25,000 or more, reported $809.7 million of this total. These establishments employed 385,524 workers, and their exports represented almost 7 percent of their total value of shipments. The balance was exported indirectly through middle men by these same establishments or by other establishments. California ranked 3d among the States in value of manufactured exports in 1960.

*Prepared by the U. S. Department of Commerce.

California's most significant manufactured exports in 1960 were: Transportation equipment, food and kindred products, chemicals and allied products, petroleum and coal products, non-electrical machinery, and electrical machinery. These six industry groups accounted for a total of $1,023.5 million or almost 79 percent of California's estimated exports in 1960.

## Transportation Equipment

Total value of transportation equipment exports from California was estimated at $476.5 million in 1960. A total of 48 California establishments exported $25,000 or more each in transportation equipment in 1960. California ranked 1st among the States in value of exports of these products.

Best customers for similar U. S. exports were Canada, France, Venezuela, Mexico, and Brazil.

The Ford Motor Company assembly plants at LOS ANGELES and SAN JOSE are exporters in this industry group. Their primary exports are passenger cars and trucks.

The Ford Motor Company's principal business is the manufacture, assembly, and sale of passenger cars and trucks and their related parts and accessories. Other operations include manufacture and sale of wheel-type tractors, marketing of a line of farm implements -- some of which are made by Ford -- and performance of some defense contracts and related activities. The company is 2d in the industry in unit factory sales of passenger cars and trucks. Operations are carried on outside the United States by a number of subsidiaries -- the largest of these produce passenger cars and trucks in England, Germany, and Canada. The English subsidiary also makes tractors.

North American Aviation, Incorporated is another important exporter of transportation equipment from California. Its plants at DOWNEY and LOS ANGELES produce and export aircraft, aircraft parts, and related products.

Navan Products, Inc., a wholly owned subsidiary of North American Aviation, licenses and markets specialized products of the parent company and others. North American Aviation, S.A. licenses and markets abroad in the parent company's fields of interest. The Company also has partly owned affiliates in France and Germany.

The Chris-Craft Corporation, a subsidiary of NAFI Corporation, exports from its plant at HAYWARD, California. This Corporation was a pioneer in the design and manufacture of racing and pleasure motor boats and marine engines; and it is the world's largest maker of motor boats. It serves the entire market for inboard motor pleasure boats, of wood and steel, ranging in length from 17 to 66 feet, with engines of 60 to 275 horsepower.

Chris-Craft sells through 600 independent dealers in the U. S., mainly in the North Atlantic States, Great Lakes area, Florida and California, in several foreign countries, and through its wholly owned subsidiary, Chris-Craft S.A., at Lausanne, Switzerland.

Other California exporters in this industry group and their exports include: International Harvester plants at EMERYVILLE and STOCKTON (tractors); the Pacific Garland Foundry Company at NEWARK (highway motor trucks and parts); and the Transamerica Corporation at OAKLAND (diesel engines and parts).

The transportation equipment industry uses many imported materials which are incorporated into its finished manufactured products. In most cases the imported materials have been used in earlier production processes by other industries in parts, components, and semifinished materials used in making transportation equipment.

For example, many of the alloying elements used in making sheet steel are imported. Other imports used in the transportation industry include antimony, mercury, asbestos, mica, and nickel to mention only a few. Bauxite from which aluminum is extracted must be imported; imported natural rubber is used in tires and moldings; and sisal and jute are used for upholstery padding; imported sperm oil is used in brake fluid and special lubricants.

## Food and Kindred Products

Total value of food and kindred products exports from California in 1960 was estimated at $180.5 million. A total of 70 establishments, exporting $25,000 or more, reported $86.8 million of this total. These establishments employed 20,116 workers, and their exports represented 8 percent of their total value of shipments.

Best customers for similar U. S. exports were West Germany, Canada, the United Kingdom, the Netherlands, Switzerland, Belgium and Luxembourg, Venezuela, Egypt, Indonesia, and Nigeria.

The Campbell Soup Company plants at MODESTO and SACRAMENTO export food products. This Company, directly and through subsidiaries, is the largest manufacturer in the U. S. and Canada combined, of canned soups, spaghetti, and several other prepared foods. Distribution of its products is Nationwide in the U. S. and Canada, through 9,200 direct customers, including wholesalers, chain store operators, institutional and industrial customers, and certain governmental agencies.

Through unconsolidated foreign subsidiaries, the Campbell Soup Company began manufacturing operations in Italy in 1958, in England in 1959, and in Australia in 1960. The Company also has wholly owned subsidiaries in Mexico and Switzerland.

Libby, McNeill & Libby is another California exporter in this industry. Its plants at GRIDLEY, NIMBUS, SACRAMENTO, SELMA, and SUNNYVALE export a variety of processed canned and frozen foods.

Libby, McNeill & Libby is one of the largest and most diversified food packers in the country. Its products are distributed throughout the U. S.; and sales offices and agencies are also maintained in Canada and other foreign countries. The Company has wholly owned subsidiaries in Panama, Canada, England, Belgium, Germany, and Switzerland and a 51 percent owned subsidiary in Germany.

Other California exporters in this industry group and their exports include: The Rice Growers Association of California, with mills at SACRAMENTO and BIGGS, (rice); Sunkist Growers, with plants at ONTARIO and CORONA. (beverage bases and concentrates, juices, essential oils, and pectins); and the Anheuser-Busch plant at LOS ANGELES (malt beverages).

The food processing industry, including bakeries, dairies, beverage, and meat processors, uses imports. Various kinds of spices and flavorings, nuts, fresh and dried fruits, sugar, coffee, tea, and cocoa are imported, as well as tapioca. Firms in this industry also import inedible items, such as cork, gums, casings, burlap, and bagging.

## Chemicals and Allied Products

Total value of chemicals and allied products exports from California in 1960 was estimated at $123.3 million. A total of 55 establishments, exporting $25,000 or more, reported $92.3 million of this total. These establishments employed 16,725 workers, and their exports represented over 12 percent of their total value of shipments.

The best customers for similar U. S. exports were Canada, Japan, Mexico, the Netherlands, and West Germany.

The leading segment of this exporting group was the cleaning and toilet goods industry.

### Cleaning and Toilet Goods

The reported value of exports of cleaning and toilet goods in 1960 was $10.7 million, which represented 5 percent of the total shipments from reporting establishments. These establishments employed a total of 3,679 workers.

Colgate-Palmolive Company's BERKELEY plant is among California establishments exporting cleaning and toilet goods. Colgate-Palmolive operates throughout most of the free world, directly or through subsidiaries, and is one of the world's leading producers of toilet and laundry soaps, packaged detergents, cleansers, shaving preparations, and similar products. Sales of foreign subsidiaries accounted for 52 percent of the Company's consolidated sales in 1960 and for an even larger proportion of profits. The Company has wholly owned subsidiaries in Brazil, Spain, Peru, Colombia, Denmark, Holland, India, and Thailand, as well as in more than 20 other foreign countries.

Other California exporters of chemicals and allied products and their exports include: The Pittsburgh Plate Glass Company plant at TORRANCE (paint and related products); Merck and Company's SOUTH SAN FRANCISCO plant (medicinal chemicals and botanical products); and the Neville Chemical Company at ANAHEIM (coumarone-indene, petroleum hydrocarbon resins, coal-tar solvents, and rubber reclaiming oils).

The chemicals and allied products industry uses, in varying degrees, many imported materials.

The drug segment of the industry imports the following: Agar, bismuth, castor oil, hyoscine, iodine, mercury, gum opium, quinidine, and selenium. Some imports of the following are also required: Adrenalin, bile salts, ammonium persulfate, tellurium dioxide, thyroid extract, lecithin, and hemoglobin.

Other segments of the chemical industry use a variety of imported materials, such as cadmium, celestite, mercury, selenium, and tin oxide for pigments; chromite for dystuffs; manganese for photographic chemicals; platinum and nickel for catalysts and other uses; pyrethrum for insecticides; shellac for paints and other uses. Also imported are: Fluorspar, rutile, silicon carbide, sperm oil, tantalum, and tin.

## Petroleum and Coal Products

Total value of petroleum and coal products exports from California in 1960 was estimated at $113.3 million. A total of 14 establishments, exporting $25,000 or more, reported $95.8 million of this total. These establishments employed 15,272 workers, and their exports represented over 5 percent of their total value of shipments.

Best customers for similar U. S. exports were Japan, Canada, Mexico, the United Kingdom, and Italy.

By far the most important segment of this exporting industry group was the petroleum refining industry.

### Petroleum Refining

The reported value of exports of refined petroleum products in 1960 was $95.4 million, which represented over 5 percent of the total shipments from reporting establishments. These establishments employed a total of 14,705 workers.

The State accounted for 24 percent of the National exports of refined petroleum products.

The Standard Oil Company of California, with plants at RICHMOND, BAKERSFIELD, EL SEGUNDO, and OILDALE, is an exporter of refined petroleum products. This Company is a leading, integrated organization in the petroleum industry. Directly and through subsidiaries and affiliates, it has extensive interests in the United States and abroad.

Standard Oil of California shares in important production, refining, and transportation operations in Saudi Arabia through a 30 percent interest in Arabian American Oil Company and Trans-Arabian Pipe Line Company. Through the Caltex group of companies -- owned jointly with Texaco, Inc. -- the Oompany participates in producing, refining, transporting, and marketing of crude oil and products in most of the free countries of the Eastern Hemisphere. Among other foreign interests, the Company, through wholly owned subsidiaries, has developed sizable crude oil production in Venezuela and Canada.

Union Oil Company of California, with plants at WILMINGTON, RODEO, and BREA, is another important exporter of petroleum products. This Company engages substantially in all branches of the oil business on the Pacific Coast, with certain activities extending to other states and foreign countries. Crude oil production is supplemented by purchase of crude oil, mainly imports under long-term contracts with Gulf Oil Corporation.

Unimar Ltd., 50 percent owned by Union Oil Company, sells petroleum products throughout southeast Asia and the Middle East. The company has wholly owned subsidiaries in Libya, Spain, and Australia. Unoco Trading Company, Ltd. -- wholly owned -- purchases and sells petroleum products worldwide.

Other California exporters in this industry and their exports include: The Richfield Oil Corporation's LOS ANGELES refinery (diesel and fuel oils); MacMillan Ring-free Oil Company's SIGNAL HILL refinery (asphalts and fuel oils); and Mobil Oil Company's TORRANCE refinery (various petroleum products).

## Non-Electrical Machinery

Total value of non-electrical machinery exports from California in 1960 was estimated at $84.8 million. A total of 85 establishments, exporting $25,000 or more, reported $61.9 million of this total. These establishments employed 32,259 workers, and their exports represented almost 10 percent of their total value of shipments.

The best customers for similar U. S. exports of non-electrical machinery were Canada, Mexico, Japan, the United Kingdom, Argentina, West Germany, France, Brazil, and Colombia.

The leading segments of this group were construction and like equipment, general industrial machinery, and special industry machinery.

### Construction and Like Equipment

The reported value of exports of construction and like equipment in 1960 was $16.6 million, which represented 13 percent of the total shipments from reporting establishments. These establishments employed a total of 5,665 workers.

The Harnischfeger Corporation in LOS ANGELES is an exporter in this industry group. This Corporation is one of the oldest producers of contractors' and materials handling equipment and related industrial products. Principal lines include power cranes and shovels, truck cranes, elevating loaders, and other related products.

Harnischfeger products are marketed throughout the world under the P&H trademark throughout the United States and in more than 80 foreign countries. Foreign licensees are located in Brazil, Japan, India, Chile, Australia, Canada, and West Germany, with sales handled -- for the most part -- by sales offices of the Corporation's international subsidiaries in 11 foreign cities.

Other California exporters in this industry and their exports include: Baker Oil Tool, Inc. of LOS ANGELES (oil and gas well tools and equipment) and Mathews Conveyer Company of CHICO(conveying equipment).

## General Industrial Machinery

The reported value of exports of general industrial machinery in 1960 was $13.7 million, which represented 9 percent of the total shipments from reporting establishments. These establishments employed a total of 5,634 workers.

The FMC Corporation exports from its plant at SAN JOSE in this industry. Its principal exports are food products machinery. The FMC Corporation is a leading supplier of machinery to the fruit and vegetable handling, canning, and packing industry and a major producer of agricultural and industrial chemicals and defense materials. The Corporation has subsidiaries in Canada, Australia, Mexico, England, Brazil, Switzerland, Belgium, France, and South Africa.

## Special Industry Machinery

The reported value of exports of special industry machinery in 1960 was $10.5 million, which represented 17 percent of the total shipments from reporting establishments. These establishments employed a total of 3,636 workers.

The Chain Belt Company plant at LOS ANGELES is among California exporters in this industry. This Company makes a complete line of mechanical power transmission and conveyor chain and certain types of construction machinery. Construction machinery products are marketed domestically by about 75 distributors; other items are marketed through 32 sales offices in the U. S. and 2 in Canada, and by some 350 distributors in the U. S. and some 200 in numerous foreign countries. The Company has subsidiaries or affiliates in Canada, Switzerland, Italy, Japan, Germany, Brazil, and Argentina.

Other California exporters in this industry and their exports include: Federal-Mogul-Bower Bearings, Inc., at DOWNEY (oil seals); Maremont Corporation's LOS ANGELES plant (rebuilt clutch products); and Kobe, Inc., of HUNTINGTON PARK, (oil well pumps, parts, and equipment).

The non-electrical machinery industry is indirectly dependent on imports for its high volume of production. Large quantities of ferroalloys, for instance, are produced by the primary metals industry from imported ores and concentrates of manganese, chromite, nickel, cobalt and columbite-tantalite, and tungsten. Other indirect import requirements include nonferrous ores or metals, such as antimony, bauxite, copper, and tin.

Nonmetallic imports used, most of which are direct requirements of this industry, include aluminum oxide, silicon carbide, corundum, asbestos, industrial diamonds, graphite, and rubber.

## Electrical Machinery

Total value of electrical machinery exports from California was estimated at $45.1 million in 1960. A total of 66 California establishments exported $25,000 or more each, and the State ranked 8th in the United States in value of these exports.

Beckman Instruments, Inc. is an exporter of electrical machinery. Its plants at FULLERTON, PALO ALTO, and RICHMOND export scientific and process instruments, potentiometers, servo-motors, medical and clinical instruments, and a variety of related and similar products. In fiscal 1961, international operations generated 16 percent of Beckman's sales. The Corporation has wholly owned subsidiaries in Switzerland, Scotland, and West Germany.

Other California exporters of electrical machinery and their exports include: Systron-Donner Corporation of CONCORD (electro-mechanical transducers, accelerometers, etc.); Daystrom, Inc. of LA JOLLA (computer control of industrial processes); and Eitel-McCullough, Inc. of SAN CARLOS and SAN BRUNO (radio and television receiving type electron tubes).

The electrical machinery industry is supported by various materials of foreign origin, including many indirect imports. This is evidenced by imported raw materials which are wholly or partially processed by the primary or fabricated metal industries prior to being used by electrical machinery manufacturers.

These include virtually the entire range of imported metallic ores and other imports consumed in the primary metals industry, such as bauxite, the various copper forms, and ferroalloys. Also included in this category of indirect imports are castor oil for making special wire insulation and natural rubber.

In addition, there are other materials -- not fully available domestically -- which are introduced more directly into the production system of this industry. These include diamond dies, industrial diamonds, mica, mercury, platinum, tungsten, quartz crystals, talc, and abrasives.

The best customers for similar U. S. exports of electrical machinery were Canada, Mexico, Argentina, Venezuela, and Brazil.

This analysis has covered those industries with the highest value of exports for which there is specifid information available. For other industries with smaller exports, in many instances, possibility of disclosure of individual firms prevented tabulation of the precise value of exports reported. While these industries could not be discussed in detail, their combined employment and overseas shipments made an important and significant contribution to the international activity of the State of California.

The following additional companies have extended permission to be identified as participating in direct exports:

ANAHEIM
The American Hardware Corporation--Builders' hardware
Coca Cola Export Corporation--Frozen and hot pack concentrates
Pacific Scientific Company (also at BELL GARDENS)--Non-electrical machinery

ALHAMBRA
Yuba Consolidated Industries, Inc.--Construction equipment

ANTIOCH
Crown Zellerbach Corporation--Industrial papers and paper products

BORON
U. S. Borax (Also at WILMINGTON)--Boron products

BUENA PARK
National Dairy Products Corporation--Dairy products, confections, canned and preserved foods

BURBANK
Aeroquip Corporation (Also at WEST LOS ANGELES)--Specialized clamps and couplings, hose assemblies and fittings

Aetna Steel Products Corporation--Ball bearing raceways
Elgin National Watch Company--Electrical relays

CITY OF INDUSTRY
Allied Thermal Corporation--Fabricated metal products

CORONA
Briggs Manufacturing Company--Vitreous and semivitreous plumbing fixtures

COSTA MESA
Penn Controls, Inc.--Mecnanical measuring and controlling devices

SAN CARLOS
Eitel-McCullough, Inc. (Also at SAN BRUNO)--Electronic components and accessories

WILMINGTON
Texaco, Inc.--Petroleum products
Union Oil Company of California (Also at RODEO, BREA)--Petroleum products and chemical fertilizers

CULVER CITY
Parker-Hannifin Corporation--Rubber rings and bonded metal parts

DEL MAR
Non-Linear Systems, Inc. (Also at SOLANA)--Various electronic devices

DOWNEY
Darnell Corporation, Ltd.--Industrial and furniture casters

EL MONTE
Clayton Manufacturing Company--Steam generators, cleaners, and parts

EL SEGUNDO
International Rectifier Corporation--Rectifiers

EMERYVILLE
Peterson Tallow Company, Inc.--Tallow and bone meal

FRESNO
Schenley Industries, Inc.--Distilled and bottled liquors and wines

FULLERTON
American Meter Company--Valves and pipe fittings
Kimberly-Clark Corporation--Converted paper and paperboard products

GARDENA
Associated Spring Corporation--Miscellaneous fabricated wire products
Dynalectron Corporation--Electronic components

GLENDALE
General Controls Company--Domestic and industrial controls and valves
General Precision Equipment Corporation--Electronic products
Peterson Baby Products--Baby furniture and fixtures

GUSTINE
Carnation Company--Evaporated milk

HAWTHORNE
Mattel, Inc.--Toys

HOLLYWOOD
Stoddart Aircraft Radio Company, Inc.--Communications equipment

HUNTINGTON PARK
Kobe, Inc.--Oil well pumps, parts, and equipment

LONG BEACH
Pacific Valves, Inc.--Valves and pipe fittings

LOS ANGELES
Aircraft Tools, Inc.--Aircraft parts and auxiliary equipment
Allegheny Ludlum Steel Corporation (Also at FULLERTON)--Metal stamping and miscellaneous fabricated metal products

LOS ANGELES
Aluminum Company of America--Castings, forgings, extrusions, tubes
Bethlehem Steel Company (Also at SOUTH SAN FRANCISCO)--Primary metal products
The Birtcher Corporation (Also at CORONA)--Electromedical and electrosurgical apparatus
Borden Foods Company--Mayonnaise, and lemon and orange juice powder
Cam-Stat, Inc.--Automatic temperature controls
Charles Bruning Company, Inc.--Photographic equipment and supplies
Christie Electric Corporation--Electrical industrial apparatus
The Conveyor Company--Street sweepers
Deutsch International (Also at BANNING)--Electrical connectors, pipe couplings and fittings, needles and other notions
Everest & Jennings, Inc.--Wheel chairs
Ferro Corporation--Porcelain enamel frit and glaze, coloring oxides for ceramic industry
The Firestone Tire & Rubber Company--Tires, inner tubes

OAKLAND
American Tractor Equipment Corporation--Construction machinery and equipment
The Colorado Fuel & Iron Corporation (Also at SOUTH SAN FRANCISCO)--Miscellaneous fabricated wire products
Fruitvale Canning Company--Canned fruits
Granny Goose Foods--Canned snack foods
Hoben Candy Corporation--Candy bars
Irving Subway Grating Company, Inc.--Fabricated structural steel
Noble Company--Concrete batching plants
Pepsi-Cola Company--Soft drink concentrates
Sunshine Biscuits, Inc.--Biscuits and crackers
Symington Wayne Corporation--Petroleum equipment

PALO ALTO
Preformed Line Products Company--Miscellaneous fabricated wire products

REDWOOD CITY
Dover Corporation--Sheet metal work

RICHMOND
Jacuzzi Bros., Inc.--Pumps and water systems

RIVERSIDE
Bourns, Inc.--Electronic resistors

SACRAMENTO
The Pillsbury Company (Also at REEDLEY)--Flour and feed

SAMOA
Georgia-Pacific Corporation--Lumber and plywood, paper products

TABLE 1-AGRICULTURAL EXPORT AND IMPORT EQUIVALENTS BY STATES AND/OR CONGRESSIONAL DISTRICTS
MAJOR COMMODITY GROUPINGS, FISCAL YEAR 1960-61

STATE-CALIFORNIA

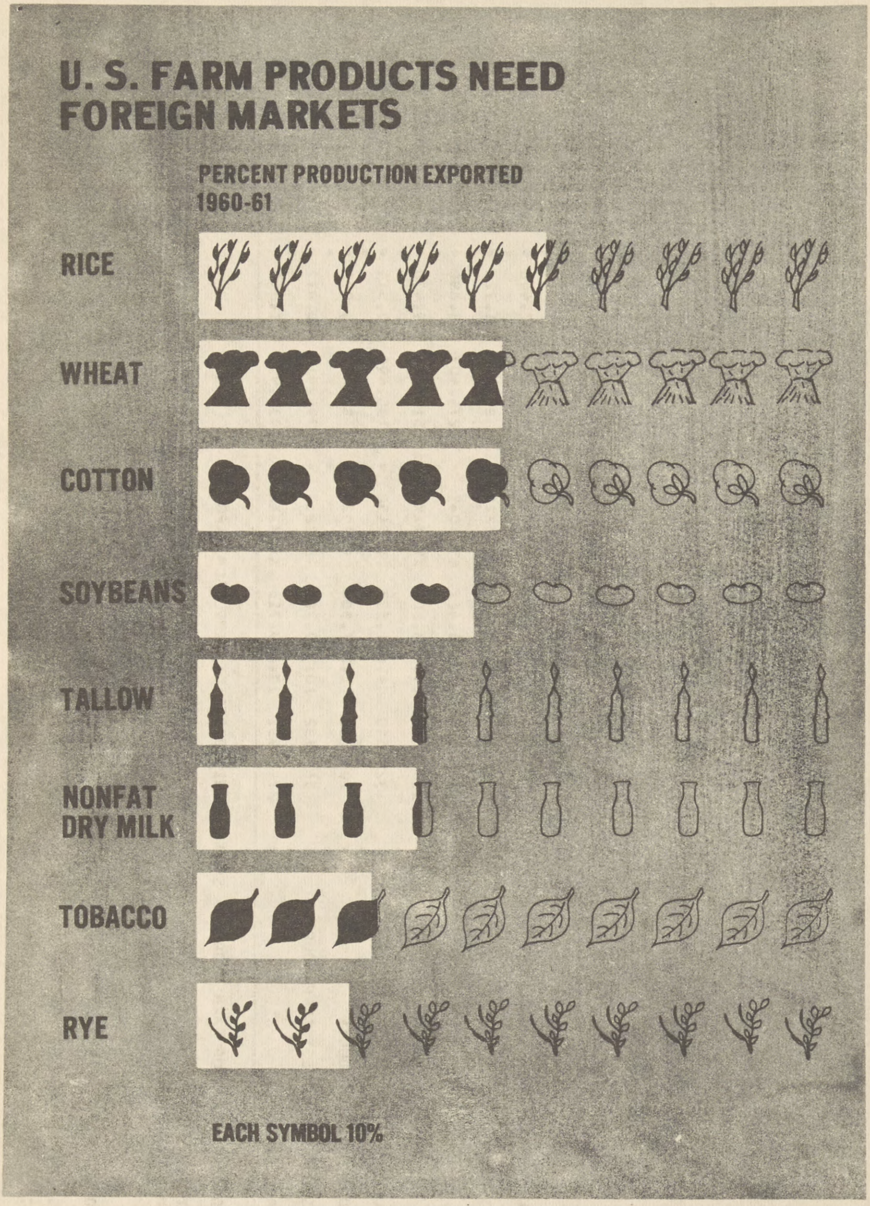
| COMMODITY GROUP | AMOUNT SOLD OR HARVESTED 1959 CENSUS | | | EXPORTS | | IMPORTS | |
|---|---|---|---|---|---|---|---|
| | DISTRICT OR STATE | NATION | DIST. OR STATE SHARE OF NATION | NATIONAL EXPORTS FISCAL YEAR 1960-61 | DIST. OR STATE EQUIV. EXPORTS | NATIONAL SUPPLE-MENTARY IMPORTS 1960-61 | DISTRICT OR STATE EQUIV. OF IMPORTS |
| | $1,000 | $1,000 | PERCENT | $1,000 | $1,000 | $1,000 | $1,000 |
| FIELD CROPS-EXCL. VEGS., FRUITS AND NUTS 1/ | 773,829 | 10,492,820 | 7.3748 | 3,965,473 | 292,446 | 877,066 | 64,682 |
| VEGETABLES 1/ | 268,649 | 739,629 | 36.3221 | 87,346 | 31,726 | 67,847 | 24,643 |
| FRUITS AND NUTS 1/ | 580,421 | 1,398,462 | 41.5042 | 274,407 | 113,890 | 169,072 | 70,172 |
| TOTAL LIVESTOCK AND LIVESTOCK PRODUCTS | 1103,053 | 17,058,805 | XX.XXXX | 612,691 | 39,478 | 639,491 | 35,335 |
| DAIRY PRODUCTS | 323,540 | 4,021,593 | 8.0450 | 130,696 | 10,514 | 52,727 | 4,242 |
| POULTRY AND POULTRY PRODUCTS | 209,781 | 2,257,504 | 9.2925 | 87,082 | 8,092 | 2,031 | 189 |
| OTHER LIVESTOCK AND LIVESTOCK PRODUCTS | 569,732 | 10,779,708 | 5.2852 | 394,913 | 20,872 | 584,733 | 30,904 |
| TOTAL AGRICULTURAL PRODUCTS | 2725,952 | 29,689,716 | XX.XXXX | 4,939,917 | 477,540 | 1,753,476 | 194,832 |

$.18 OF EACH DOLLAR WORTH OF FARM PRODUCTS SOLD BY THIS DISTRICT CAME FROM EXPORTS.

THE DISTRICT STATISTICS INCLUDE THE SUMMATION OF WHOLE COUNTIES. THE EXPORT AND IMPORT EQUIVALENTS SHOW THE PROPORTIONATE SHARE OF NATIONAL AGRICULTURAL EXPORTS AND COMPETITIVE AGRICULTURAL IMPORTS BY CONGRESSIONAL DISTRICTS AND STATES AND DO NOT NECESSARILY MEAN THAT THE COMMODITIES SHOWN WERE ACTUALLY EXPORTED OR IMPORTED. THEY DO REFLECT, HOWEVER, THE COMMON STAKE OF A DISTRICT OR STATE IN TOTAL NATIONAL TRADE.

1/ INCLUDES PRODUCTS AND PREPARATIONS

PREPARED IN U.S. DEPARTMENT OF AGRICULTURE
TSAB,DTAD,ERS 12/15/61


U. S. FARM PRODUCTS NEED FOREIGN MARKETS
PERCENT PRODUCTION EXPORTED 1960-61
RICE
WHEAT
COTTON
SOYBEANS
TALLOW
NONFAT DRY MILK
TOBACCO
RYE
EACH SYMBOL 10%

## AGRICULTURE*

Sixty million acres of American cropland--one out of every six acres harvested--produce for export.

American agricultural exports are running at a record high rate of $5 billion a year. U. S. farmers need these exports as an outlet for their efficient and abundant production, and as an important source of income. Foreign consumers need these exports as a significant source of food and clothing.

In fiscal year 1960-61 U. S. exports equaled half of the Nation's production of cotton, wheat, rice, and dried peas; two-fifths of the output of soybeans and tallow; a third of the production of tobacco, hops, flaxseed, and nonfat dry milk; a fifth of the dried whole milk output; and a sixth of the feed grains sold off farms. Other important exports were fruits, poultry meat, and variety meats.

CALIFORNIA'S farmers have a direct stake in exports of some of these agricultural commodities.

About 45,900 farm workers may be attributed to the production of farm products that were exported both in unprocessed and in processed form. This number represents 12.2 percent of the 377,000 total workers on farms. (Estimates prepared in cooperation with the Bureau of Labor Statistics.)

California's equivalent share in the 1960-61 national agricultural export total was $292.4 million for field crops; $113.9 million for fruits and nuts; $39.5 million for livestock and livestock products; and $31.7 million for vegetables.

For leading individual commodities, California's equivalent was $128.2 million for cotton, $35.2 million for rice, $31.7 million for grapes, $16.9 million for oranges, $16.9 million for plums and prunes, $13.8 million for peaches, $9.3 million for wheat, $12.5 million for lemons, $5.9 million for almonds, $4.8 million for pears, $3.2 million for grain sorghums, $935 thousand for English walnuts, $853 thousand for apples, $10.5 million for dairy products, and $8.1 million for poultry and poultry products.

("Equivalent share" signifies a State or District's proportionate contribution to national sales or output as determined from the Agricultural Census data. The share reflects the common stake in national trade and does not necessarily mean that the "equivalent share" shown was actually exported or imported.)

As a whole, the equivalent share of agricultural exports from California is over 2 times as large as the equivalent share of competing imports.

California, like every other part of America, is an importer of agricultural products. These are largely tropical or semi-tropical products not grown here, such as coffee, tea, spices, bananas, rubber, etc. In addition, there are imports of competing products, often of special grade and higher in price. Under Section 22 of the Agricultural Adjustment Act as amended, imports of thr following commodities are limited: Wheat and wheat products, cotton, cotton waste, cotton produced in any stage preceding spinning into yarn (picker lap), certain manufactured dairy products, peanuts, tung nuts, and tung oil.

*Prepared by the U. S. Department of Agriculture.

The domestic market, however, is unable to absorb the total output of America's highly productive agriculture. Fortunately, there is active need for these products in foreign countries. In the more prosperous countries, incomes are rising and there is excellent opportunity to sell larger amounts of U. S. farm products, provided such countries maintain liberal trade policies that permit U. S. agricultural commodities to enter and compete on equal terms with those of other suppliers. In the less prosperous countries, U. S. farm products obtained under such programs as Food for Peace are helping these countries in their economic development and at the same time are increasing U. S. prospects for future commercial sales to them.

## CRUDE MINERALS*

Almost $2 billion worth of crude minerals--10 percent of the total value of production at U. S. mines and wellheads--was exported in 1960. This export volume includes both direct and indirect shipments abroad.

Production for export provided jobs for 90,000 American workers--14 percent of total employment--in the domestic mining industry.

Indirect exports of metals and minerals--contained in exported trucks and other manufactured products--contribute substantially to sales and employment in the mining industry. In 1960, such shipments were responsible for more than three-fourths of the industry's total export dollar volume and for more than two-thirds of its export production jobs.

Direct exports, though proportionately smaller than indirect exports, nationwide, are highly important to many localities. For example, direct exports of bituminous coal are significant in Virginia, West Virginia, Pennsylvania, and Kentucky; of anthracite in Pennsylvania; iron ore in Minnesota; molybdenum in Colorado; boron in California; sulfur in Louisiana; and phosphate in Florida.

Crude mineral imports, on the other hand, are vital because they help U. S. production to compete in world markets. In general, imported raw materials are noncompetitive to any significant degree with the domestic industry. The major exceptions, where the President has found it in the national interest to restrict imports, are lead-zinc and petroleum.

Reduction or loss of such important raw materials as crude petroleum, iron ore, copper ore, diamonds, manganese, bauxite, asbestos, zinc, tin, and lead, for example, would raise production costs in American basic industries and, consequently, reduce American living standards.

Exports of boron from CALIFORNIA amounted to $22.3 million in 1960, 47 percent of the total production of 640,591 tons.

Employment was about 1,500 in 1960 at both mines and mills; 80 percent of employment was evenly divided between the 14th and 27th Congressional Districts.

In these two Districts, four companies operate eight mines, of which five are operated by the United States Borax & Chemical Corp.

All U. S. boron is produced in California--principally in the 14th Congressional District--and the mine value of the State's production was $47.6 million in 1960.

California exports some clays, talc, iron ore, potash, and salt, but boron is the only mineral exported in significant quantities.

*Based on data supplied by the U. S. Department of the Interior, Bureau of Mines.

In 1960, California, with mineral production valued at $1.4 billion, ranked third among the States and accounted for almost 8 percent of total U. S. mineral production. The principal minerals produced, in order of value, were petroleum, natural gas, cement, sand, and gravel. There are practically no exports of these minerals.

Firms Producing Minerals Significant in Export Trade
(listed in order of value of production)

| Name | Minerals produced |
|---|---|
| U. S. Borax & Chemical Corp. | Boron |
| Kaiser Steel Corp. | Iron ore |
| American Potash & Chemical Co. | Boron, bromine, potash |
| Leslie Salt Co. | Salt |
| Stauffer Chemical Co. | Boron |
| California Salt Co. | Salt |
| Pacific Clay Products Co. | Clay |
| Western Salt Co. | Salt |
| FMC Corporation | Bromine |
| Grantham Mines | Talc |
| Gladding, McBean & Co. | Clay |
| Sierra Talc Co. | Talc |
| Southern California Minerals Co. | Talc |
| Iron Age Mines Co. | Iron ore |
| Pacific Salt & Chemical Co. | Salt |
| Lincoln Clay Products Co., Inc. | Clay |
| Western Talc Co. | Talc |
| California Non-Metallics | Clay |

## FISHING INDUSTRY*

Fishery exports contribute a small but growing market for the United States fishing industry. In 1960, they rose to $44 million, equivalent to 5 percent of the estimated $827 million wholesale value of the Nation's fishery catch. An important factor in the export rise was the removal, late in 1959, of most of the strict import controls which many nations had adopted in 1948.

The American fishing and related industries employed about 530,000 workers in 1960 and approximately 2 million people, including the families of fishermen and other workers, were directly or indirectly dependent upon the fishery resources.

Major export items include fish oils, canned and frozen salmon, canned and frozen shrimp, canned sardines, seal furs, and unmanufactured shells. Export sales broaden the market and the production base for various American fishery products which are competitive in foreign markets. In fact, such fish items as menhaden oil, canned California sardines and canned squid are largely dependent upon export markets; while canned, frozen and cured salmon, and canned and frozen shrimp are to a lesser extent so dependent.

As an importer of fishery products, the United States leads the rest of the world. In 1960, fish imports were valued at $360 million (foreign value) and represented about 45 percent of the wholesale value of the domestic catch. Imports in many cases supplement production available to domestic processing firms. To a certain extent, imports have resulted in lower average prices for some domestic products.

Leading import commodities include shrimp products, lobster, groundfish fillets and blocks, tuna products, and fish meal.

California firms exported fishery products valued at an estimated $5.4 million in 1960.

About 5,000 persons are employed in California canning plants which produce for export.

Firms engaged in production for export:

Terminal Island (Districts 15-26)
- California Marine Curing and Packing Co.
- Franco-Italian Packing Co.
- Pan Pacific Fisheries
- Star-Kist Foods
- Van Camp Sea Food Co.

San Diego (Districts 28 & 30)
- Tuna Packing Co.
- Westgate-California

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*Based on data supplied by the U. S. Department of the Interior, Fish and Wildlife Service.

MANUFACTURING ESTABLISHMENTS REPORTING THE EXPORT OF PRODUCTS IN 1960,
THE NUMBER OF THESE ESTABLISHMENTS, THEIR EMPLOYMENT AND REPORTED EXPORTS, COMPARED WITH
TOTAL MANUFACTURING EXPORTS, BY REGION AND STATE

| Geographic Region and State | Establishments reporting exports | | | Total Manufacturing Exports and Estimated Regional and State Totals (millions of $s) |
|---|---|---|---|---|
| | Number of Establishments | All Employees, Annual Average | Value of Exports Reported (millions of $s) | |
| UNITED STATES, TOTAL | 7,496 | 5,699,981 | $ 9,792.4 | $ 15,454.3 |
| New England | 721 | 482,036 | 551.8 | 1,013.7 |
| Maine | 26 | 16,271 | 14.5 | 37.5 |
| New Hampshire | 39 | 18,166 | 30.3 | 54.7 |
| Vermont | 24 | 11,161 | 15.5 | 28.1 |
| Massachusetts | 319 | 204,495 | 224.4 | 435.2 |
| Rhode Island | 63 | 28,066 | 22.2 | 65.9 |
| Connecticut | 250 | 203,877 | 244.7 | 385.9 |
| Middle Atlantic | 1,894 | 1,443,830 | 2,271.2 | 3,506.1 |
| New York | 685 | 573,331 | 888.1 | 1,417.4 |
| New Jersey | 505 | 296,404 | 587.2 | 897.0 |
| Pennsylvania | 704 | 574,095 | 795.7 | 1,189.5 |
| East North Central | 2,500 | 2,084,340 | 3,119.5 | 4,503.8 |
| Ohio | 785 | 628,666 | 921.5 | 1,299.4 |
| Indiana | 312 | 310,259 | 310.2 | 483.6 |
| Illinois | 666 | 464,430 | 971.1 | 1,407.8 |
| Michigan | 487 | 482,960 | 646.5 | 898.7 |
| Wisconsin | 250 | 198,025 | 270.0 | 411.4 |
| West North Central | 438 | 294,334 | 378.6 | 764.0 |
| Minnesota | 107 | 75,354 | 92.5 | 176.4 |
| Iowa | 101 | 84,987 | 121.4 | 243.0 |
| Missouri | 154 | 85,101 | 91.5 | 193.0 |
| North Dakota | 1 | D | D | 2.4 |
| South Dakota | 3 | D | D | 7.4 |
| Nebraska | 24 | 14,093 | 14.5 | 41.9 |
| Kansas | 48 | 30,729 | 56.7 | 96.6 |
| South Atlantic | 546 | 412,822 | 845.8 | 1,655.0 |
| Delaware | 25 | 12,267 | 14.4 | 28.4 |
| Maryland | 102 | 92,012 | 138.4 | 216.9 |
| District of Columbia | 2 | D | D | 7.7 |
| Virginia | 89 | 74,485 | 213.3 | 338.3 |
| West Virginia | 71 | 58,489 | 125.3 | 156.1 |
| North Carolina | 93 | 103,162 | 128.0 | 391.8 |
| South Carolina | 27 | 27,353 | 30.4 | 121.8 |
| Georgia | 82 | 54,502 | 107.0 | 230.8 |
| Florida | 55 | 29,028 | 85.1 | 158.8 |
| East South Central | 309 | 208,795 | 324.9 | 587.3 |
| Kentucky | 89 | 57,660 | 102.2 | 178.4 |
| Tennessee | 107 | 76,413 | 132.0 | 220.1 |
| Alabama | 78 | 60,946 | 54.4 | 109.2 |
| Mississippi | 35 | 13,776 | 36.1 | 77.0 |
| West South Central | 397 | 222,032 | 938.2 | 1,243.3 |
| Arkansas | 31 | 13,225 | 29.2 | 50.7 |
| Louisiana | 73 | 41,371 | 192.0 | 254.1 |
| Oklahoma | 51 | 19,966 | 65.5 | 98.9 |
| Texas | 242 | 147,470 | 651.3 | 836.6 |
| Mountain | 67 | 46,386 | 97.6 | 177.3 |
| Montana | 1 | D | D | 3.9 |
| Idaho | 10 | 2,065 | 8.4 | 15.6 |
| Wyoming | 1 | D | D | 0.7 |
| Colorado | 21 | 19,130 | 28.2 | 48.4 |
| New Mexico | 4 | 378 | 11.3 | 26.5 |
| Arizona | 12 | 12,635 | 12.8 | 29.3 |
| Utah | 13 | 9,724 | 32.0 | 45.8 |
| Nevada | 5 | 1,639 | 4.6 | 5.4 |
| Pacific | 624 | 500,228 | 1,264.3 | 1,994.2 |
| Washington | 86 | 95,276 | 393.7 | 582.8 |
| Oregon | 43 | 19,428 | 50.8 | 87.1 |
| California | 490 | 385,524 | 809.7 | 1,302.6 |
| Alaska | 1 | D | D | 4.0 |
| Hawaii | 4 | D | D | 15.5 |

Note: Figures may not add because of rounding. The $9.8 billion in exports reported in this survey were made by establishments with 100 employees or more and exporting $25,000 or more in 1960. Based on a Census company survey covering 1958, these establishments account for substantially all shipments known to the manufacturer to be destined for export. The $5.6 billion in exports not reported in the survey would be accounted for chiefly by products shipped through wholesalers, independent export houses, etc., and by small manufacturers.

The exports shown in this table are in f.o.b. plant values. The total value at port is estimated at $16,898 million, and exceeds the 1960 Census Bureau's totals for manufactured foodstuffs, semimanufactures and finished manufactures by some $800 million. Figures given here include exports to Puerto Rico, bunker sales of fuel to foreign vessels, and certain other adjustments developed by the Bureau of Labor Statistics in their study of direct and indirect employment attributable to exports.

The National total figures were prepared by the Bureau of Labor Statistics, based largely on Census export data and Census "bridge" tables on export and industry classification systems.

Regional and State distributions of exports, not reported directly by manufacturers, were estimated by the Office of Business Economics and the Bureau of International Programs, U. S. Department of Commerce, in order to account for local origin of all manufacturing exports. The figures reported by manufacturers are from a survey conducted by the Census Bureau of plants with more than 100 employees included in the Annual Survey of Manufactures.

D Withheld to avoid disclosing figures for individual companies.

Source: U. S. Department of Commerce

THE STATE OF OREGON AND FOREIGN TRADE

SUMMARY HIGHLIGHTS

Foreign trade has a direct impact on every community, its economy, its industries, its workers, its farmers--the life and livelihood of all of its people.

MANUFACTURED EXPORTS

Exports of manufactured goods from OREGON amounted to $87.1 million in 1960.

43 OREGON establishments each exported more than $25,000 in 1960.

19,428 OREGON workers were employed in these establishments.
(Total number of manufacturing workers in OREGON in 1958 was 132,572, according to the most recent Census Bureau Survey of Manufactures.)

OREGON's major exporting industries are: Food and kindred products, lumber and wood products, electrical machinery, paper and allied products, primary metals, and non-electrical machinery.

AGRICULTURAL EXPORTS

OREGON's equivalent share of U.S. total exports of $4.9 billion of agricultural products was $68.1 million in the 1960-61 crop year.
Included were $50.1 million for field crops, $6.8 million for livestock and livestock products, $8.5 million for fruits and nuts, and $2.6 million for vegetables.

About 4,500 OREGON farm workers may be attributed to the production of farm products that were exported both in unprocessed and in processed form. This number represents 4.9% of the 92,000 total workers on farms. (Estimates by the Departments of Agriculture and Labor.)

FISHERY EXPORTS

Exports of fishery products from OREGON establishments were valued at $0.8 million in 1960.

The following individual companies are illustrative of those which contribute to the merchandise exports of OREGON. They have extended permission to be identified as companies participating in direct exports.

COOS BAY
Georgia-Pacific Corp. - Lumber and plywood

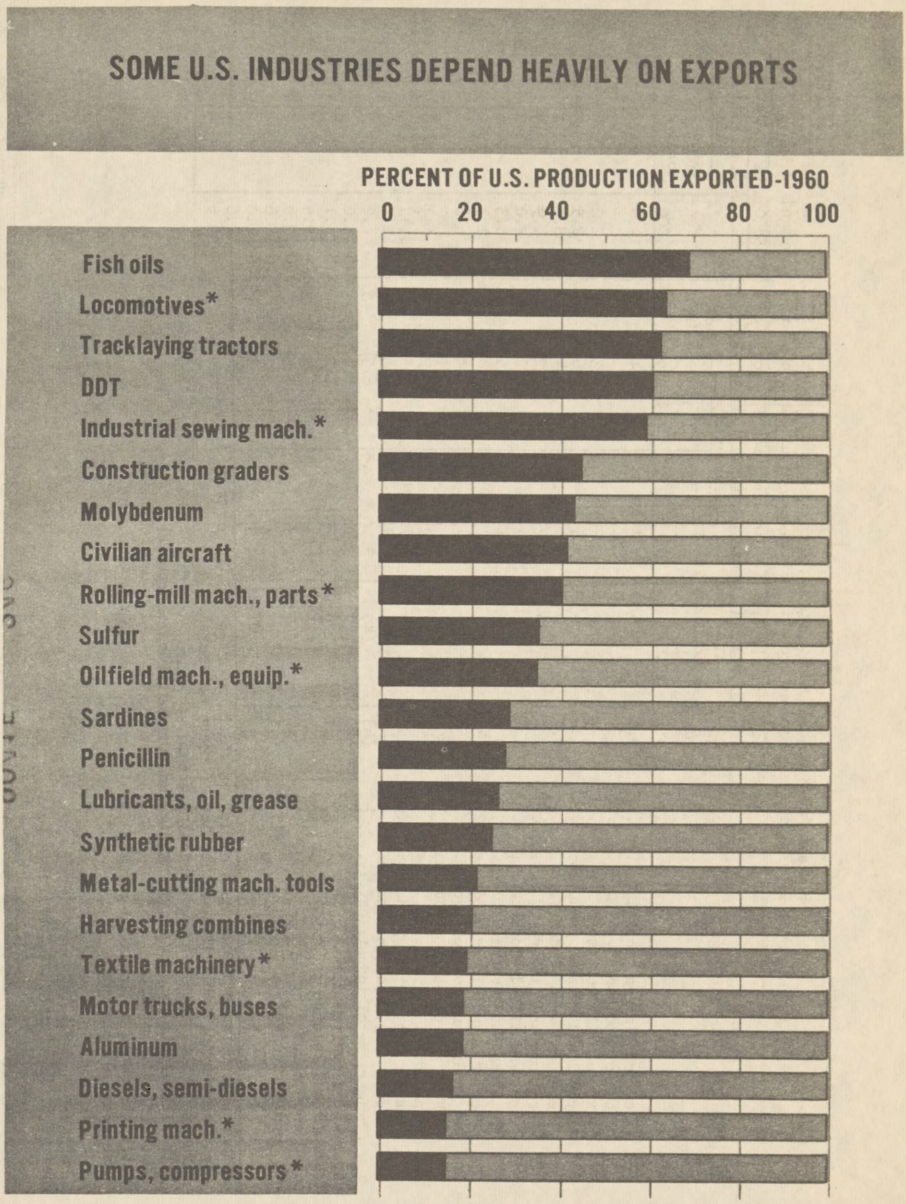
DALLAS
Gerlinger Carrier Corp. - Fork lift trucks and straddle-type carriers

HILLSBORO
General Foods Corp. - Birdseye frozen foods

LEBANON
Crown-Zellerbach Corp. - Sulfite wrapping and industrial papers, corrugated paper mediums

NEWBURG
Spaulding Pulp and Paper Co. - Unbleached sulfite woodpulp

NORTH BEND
Weyerhauser Co. - Lumber
NORTH PORTLAND
Moore Dry Kiln Co. - Lumber and roller veneer drying equipment, lumber handling equipment
PORTLAND
Bingham Pump Co. - Industrial power pumps and parts
Cascade Manufacturing Co. - Hydraulically actuated lift truck attachments
Continental Can Co. - Can-closing machinery, metal cans and containers
ESCO, International - Construction, crushing, woodmill equipment; logging, rigging, alloy steel castings; hydraulic swaging presses
Foremost Dairies, Inc. - Whey products
Libby, McNeill & Libby - Processed, canned, and frozen foods
Mixermobile Manufacturers, Inc. - Heavy construction equipment, particularly front end loaders
Sawyer's, Inc. - VIEW-MASTER viewers and reels, photographic supplies
SAINT HELENS
Crown Zellerbach Corp. - Kraft papers, toilet tissue papers
SALEM
Asten-Hill Manufacturing Co. - Dryer felts for paper mills and machines
Columbia River Paper Co. - Offset papers; bond, safety, and index bristol paper
Dole Corp. - Canned fruits and vegetables
SPRINGFIELD
Georgia-Pacific Corp. - Lumber and plywood
Weyerhauser Co. - Lumber and containerboard
TOLEDO
Georgia-Pacific Corp. - Kraft paper
WEST LINN
Crown Zellerbach Corp. - Newsprint and printing paper
WOODBURN
General Foods Corp. - Birdseye frozen foods




*1958 FIGURES - LATER FIGURES NOT AVAILABLE.

State of Oregon

Exports and Employment of Manufacturing Establishments Reporting Exports,
Estimated Total Exports of Manufactured Products, 1960, and Total Manufacturing Employment in 1958

| Industry group | Establishments Reporting Exports in 1960(1 | | Estimated total exports of manufactured products, 1960(2 | | | | 1958 Census of Manufactures: All employees | | |
|---|---|---|---|---|---|---|---|---|---|
| | Exports value ($mil) | All employees number (1,000) | Value ($mil | Percentage: of U.S. total(3 | Percentage: distribution in State | Rank in State | Number (1,000) | Percentage: of U.S. total(3 | Percentage: distribution in State |
| Food and kindred products........ | 13.5 | 1.6 | 24.7 | 1.6 | 28.4 | 1 | 19.6 | 1.1 | 14.8 |
| Tobacco products................. | - | - | - | - | - | - | - | - | - |
| Textile-mill products............ | - | - | .3 | .1 | .3 | | 2.2 | .2 | 1.6 |
| Apparel and related products..... | - | - | .5 | .2 | .6 | | 2.5 | .2 | 1.9 |
| Lumber and wood products......... | 8.7 | 5.0 | 23.9 | 16.2 | 27.4 | 2 | 68.0 | 11.7 | 51.3 |
| Furniture and fixtures........... | - | - | .2 | .5 | .2 | | 1.9 | .6 | 1.4 |
| Paper and allied products........ | 7.3 | 3.8 | 8.9 | 2.2 | 10.2 | 4 | 7.0 | 1.3 | 5.3 |
| Printing and publishing.......... | - | - | .4 | .3 | .5 | | 5.3 | .6 | 4.0 |
| Chemicals and allied products.... | (4) | (4) | .7 | (x) | .8 | | 1.3 | .2 | 1.0 |
| Petroleum and coal products...... | - | - | (S) | * | * | | .3 | .2 | .2 |
| Rubber and plastics products, n.e.c. | (4) | (4) | .2 | .1 | .2 | | (4) | (4) | (4) |
| Leather and leather products..... | - | - | (S) | * | * | | (4) | (4) | (4) |
| Stone, clay, and glass products.. | (4) | (4) | .3 | .2 | .3 | | 2.7 | .5 | 2.0 |
| Primary metal industries......... | (4) | (4) | 5.7 | .5 | 6.5 | 5 | 4.2 | .4 | 3.2 |
| Fabricated metal products........ | (4) | (4) | .1 | (x) | .1 | | 5.0 | .5 | 3.8 |
| Machinery, except electrical..... | 3.7 | 2.0 | 4.5 | .2 | 5.2 | 6 | 4.1 | .3 | 3.1 |
| Electrical machinery............. | (4) | (4) | 14.1 | 1.4 | 16.2 | 3 | 2.5 | .2 | 1.9 |
| Transportation equipment......... | (4) | (4) | 1.3 | (x) | 1.5 | 7 | 3.8 | .2 | 2.9 |
| Instruments and related products. | (4) | (4) | (S) | * | * | | .6 | .2 | .4 |
| Miscellaneous manufacturing...... | - | - | .2 | (x) | .2 | | 1.0 | .2 | .8 |
| Undistributed*........... | 17.6 | 7.0 | | | 1.4 | | .6 | | .4 |
| Total........... | 50.8 | 19.4 | 87.1 | .6 | 100.0 | | 132.6 | .9 | 100.0 |

1) Establishments with 100 or more employees which exported $25,000 or more in 1960.
2) See accompanying table for explanation of these estimates.
3) Percent of U.S. total in each industry group.
4) Data withheld to avoid disclosing figures for individual companies.
S) Less than $1.0 million
* Not distributed by industry group.
x) Less than .05 percent.

Source: U.S. Department of Commerce.

USCOMM-DC-52109-22

MANUFACTURED EXPORTS*

U. S. exports of manufactures made up more than 75 percent of total exports for the year 1960. These manufactured exports were valued at $15.5 billion, f.o.b. plant.

Nationally, the six largest industry groups were: Non-electrical machinery ($2.9 billion); transportation equipment ($2.7 billion); chemicals and allied products ($1.8 billion); food and kindred products ($1.6 billion); primary metals ($1.1 billion); and electrical machinery ($1.0 billion).

Approximately six million workers were employed in U. S. manufacturing establishments each of which exported $25,000 or more in 1960. Thus, one out of every three industrial workers in the United States was employed in plants which produced for export. These plants accounted for about 45 percent of all U. S. manufacturers' shipments in 1960.

These facts were revealed by a recent survey of the geographic origin of U. S. exports of manufactures conducted by the Bureau of the Census. Nearly 8,000 manufacturing establishments, reporting two-thirds of U. S. manufactured exports, responded to this survey, the first of its kind in the United States. Regional and State distributions of exports for the remaining one-third were estimated by the U. S. Department of Commerce.

The following analysis is based on data from this survey.

STATE OF OREGON

The State of Oregon, though agriculture still remains of primary importance, continues to expand its manufacturing activity. The forest products industry has provided the base upon which other manufacturing and nonmanufacturing activities have built.

The State of Oregon, by virtue of its splendid port facilities in Portland, has an interest in foreign trade beyond its stake in the sale of its own manufactures. Located at the confluence of the Willamette and Columbia Rivers, Portland has easy access both to the Pacific Ocean and to inland America. This location has initiated and promoted Portland's development as a trade and transport center.

The financial impact of harbor activity on Oregon's economy is considerable, and exports, as well as imports, of both local and national origin and destination, have a significant effect on the workers of the city and the State.

Total value of exports from Oregon in 1960 was estimated at $87.1 million. A total of 43 establishments, exporting $25,000 or more, reported $50.8 million of this total. These establishments employed 19,428 workers and their exports represented 10 percent of their total value of shipments. The balance was exported indirectly through middlemen by these same establishments or by other establishments.

*Prepared by the U. S. Department of Commerce.

The significant industry groups in export activity in Oregon are: Food and kindred products, lumber and wood products, electrical machinery products, paper and allied products, primary metals, and non-electrical machinery. These six industries account for nearly 89 percent of the exports reported in 1960.

## Food and Kindred Products

Total value of exports of food and kindred products from Oregon in 1960 was estimated at $24.7 million. A total of 8 establishments, exporting $25,000 or more, reported $13.5 million of this total. These establishments employed 1,558 workers and their exports represented 18 percent of their total value of shipments.

Foremost Dairies, Incorporated has a plant in PORTLAND which processes dairy products. Its principal export from the Portland plant is whey products. Overseas exports and operations are administered through the company's export department.

Foremost Dairies is the largest corporation in the dairy products industry, serving the entire continental United States and operating the world's longest milk route across the Pacific.

General Foods Corporation has established plants in HILLSBORO, WOODBURN, and PENDLETON. Frozen foods of many varieties are packaged and exported from these locations under the tradename "Birdseye".

Principal export markets for General Foods products are in Canada, Europe, South America, South Africa, and Japan.

Libby, McNeill & Libby own a plant in PORTLAND which produces processed, canned, and frozen foods for the domestic market and for export abroad. Sales offices and agencies are maintained both in Canada and overseas.

The Pillsbury Company has a flour milling plant in ASTORIA. This company is the largest exporter of flour in North America, as well as a producer of food mixes for home baking and a line of grocery products.

The Dole Corporation has canneries in SALEM and ASTORIA. The Salem plant processes and cans many varieties of fruits and vegetables for local markets and for export to foreign countries.

Quaker Oats Company has a plant in PORTLAND engaged in the milling of flour and the preparation of flour and other grain mixes. Exports of Quaker Oats products constitute a considerable portion of the sales of this firm, and export subsidiaries have been formed to handle sales to foreign markets.

Best customers for similar U. S. exports in 1960 were West Germany, Canada, the United Kingdom, the Netherlands, Switzerland, Belgium and Luxembourg, Venezuela, Egypt, Indonesia, and Nigeria.

The food processing industry, including bakeries, dairies, beverage, and meat processors, uses imports. Various kinds of spices and flavorings, nuts, fresh and dried fruits, sugar, coffee, tea, and cocoa are imported as well as tapioca. Firms in this industry also import inedible items such as cork, gums, casings, burlap, and bagging.

## Lumber and Wood Products

Total value of exports of lumber and wood products from Oregon in 1960 was estimated at $23.9 million. A total of 7 establishments reported exports valued at $25,000 or more.

Weyerhauser Company is one of the paramount manufacturers and distributors of timber products in Oregon. SPRINGFIELD, NORTH BEND, KLAMATH FALLS, and COTTAGE GROVE each have a Weyerhauser sawmill. Exports consist primarily of lumber and containerboard.

Georgia-Pacific Corporation has veneer and plywood plants in SPRINGFIELD and COOS BAY. Plywood and wood veneers of both wood and nonwood backings are produced and exported from these plants. Douglas Fir lumber is another export item of Georgia-Pacific.

U. S. Plywood Corporation, the world's largest distributor of plywood, has 12 manufacturing plants throughout Oregon. The larger ones are located in MAPLETON, GOLD BEACH, WILLAMINA, EUGENE, and ROSEBURG. Exports consist of plywood, adhesives, and laminated materials.

The Robert Dollar Company has a sawmill in GLENDALE exporting lumber, and J. H. Baxter and Company, of EUGENE, exports treated wood poles.

Best customers for similar U. S. exports in 1960 were Canada, Australia, the United Kingdom, West Germany, and the Republic of Korea.

## Electrical Machinery Products

Total value of exports of electrical machinery products from Oregon in 1960 was estimated at $14.1 million.

Gould-National Batteries, Incorporated, maintains a plant in SALEM that exports electric storage batteries.

Globe-Union, Incorporated, with facilities in OREGON CITY, exports electric storage batteries, ignition systems, magnetos, distributors, coils, condensers, and sundry ignition parts.

Best customers for similar U. S. exports in 1960 were Canada, Mexico, Argentina, Venezuela, and Brazil.

The electrical machinery industry is supported by various materials of foreign origin, including many indirect imports. This is evidenced by imported raw materials which are wholly or partially processed by the primary or fabricated metal industries prior to being used by electrical machinery manufacturers.

These include virtually the entire range of imported metallic ores, and other imports consumed in the primary metals industry, such as bauxite, the various copper forms, and ferroalloys. Also included in this category of indirect imports are castor oil for making special wire insulation, and natural rubber.

In addition there are other materials--not fully available domestically--which are introduced more directly into the production system of this industry. These include diamond dies, industrial diamonds, mica, mercury, platinum, tungsten, quartz crystals, talc, and abrasives.

## Paper and Allied Products

Total value of exports of paper and allied products from Oregon in 1960 was estimated at $8.9 million. A total of 9 establishments, exporting $25,000 or more, reported $7.3 million of this total. These establishments employed 3,872 workers and their exports represented 6 percent of their total value of shipments.

Brown Company, which has a plant in CORVALLIS, is an important producer of woodpulp, paper, hardwood, plywood, synthetic resins, and related products. Paper, paper towels, and similar items are sold locally and exported under the tradename "Nibroc".

Columbia River Paper Company owns a pulp and paper mill at SALEM and a shingle mill at KERNVILLE. Exports from the Salem mill include offset paper, bond, safety, and index bristol papers.

The Georgia-Pacific Corporation has lumber mills and paper plants in COOS BAY, COQUILLE, INDEPENDENCE, SPRINGFIELD, TOLEDO, and PILOT ROCK. Kraft papers are exported directly from the Toledo plant.

Crown-Zellarbach Corporation has paper mills in WEST LINN, ST. HELEN, and LEBANON. Newsprint, kraft paper, toilet tissue paper, sulfite wrapping and industrial paper, and corrugated mediums are exported directly from these mills.

Best customers for similar U. S. exports in 1960 were the United Kingdom, Japan, West Germany, Canada, Italy, Venezuela, and the Republic of the Philippines.

Primary Metals

Total value of exports of primary metals from Oregon in 1960 was estimated at $5.7 million. A total of 3 establishments reported exports valued at $25,000 or more.

ESCO, International, in PORTLAND, manufactures and exports logging riggings, alloy steel castings, and construction, crushing, and woodmill equipment. The Portland plant, a division of ESCO Corporation, regards its foreign trade as a profitable and vital part of its business.

American Smelting and Refining Company has facilities in PORTLAND and exports principally aluminum, alloys, babbits, and similar metals.

Best customers for similar U. S. exports in 1960 were Canada, the United Kingdom, Mexico, France, West Germany, and Italy.

The primary metal industries are great consumers of metallic minerals. In many cases the United States is not self-sufficient in basic minerals needed for this industry. In iron ore, for example, the United States has a diminishing supply. Among the ferroalloys it has a large deficit of chromite and manganese and smaller deficits in cobalt and tungsten. This country also has an insufficient supply of antimony, bauxite, mercury, silver, tin, and platinum.

This industry uses in varying degree the following imported materials: Iron ore, antimony, asbestos, bauxite, beryl, bismuth, cadmium, celestite, chromite, cobalt, columbite-tantalite, copper, fluorspar, graphite, kyanite-mullite, manganese, nickel, platinum, rare earths, rutile, silicon, tin, and tungsten.

Non-Electrical Machinery

Total value of exports of non-electrical machinery from Oregon in 1960 was estimated at $4.5 million. A total of 6 establishments, exporting $25,000 or more, reported $3.7 million of this total. These establishments employed 2,048 workers and their exports represented 9 percent of their total value of shipments.

Continental Can Company, Incorporated, of PORTLAND, manufactures and exports, for lease or for sale, can-closing machines adaptable to all makes of cans and containers.

FMC Corporation, formerly Food Machinery and Chemical Corporation, has facilities in PORTLAND. This corporation is a leading supplier of machinery to the fruit and vegetable handling, canning, and packing industries. Direct exports of its manufactured products account for a large portion of its total foreign sales revenue.

Hyster Company has a plant in PORTLAND that manufactures and exports, primarily to Canada, industrial hoists and cranes and other materials handling equipment. Export sales are handled through independent dealers.

In DALLAS the Gorlinger Carrier Company, a subsidiary of Towmotor Corporation, manufactures and exports the "Monarch" series of industrial fork lift trucks and straddle-type carriers.

Best customers for similar U. S. exports in 1960 were Canada, Mexico, Japan, the United Kingdom, Argentina, West Germany, France, Brazil, and Colombia.

The non-electrical machinery industry is indirectly dependent on imports for its high volume of production. Large quantities of ferroalloys, for instance, are produced by the primary metals industry from imported ores and concentrates of manganese, chromite, nickel, cobalt, columbite-tantalite, and tungsten. Other indirect import requirements include nonferrous ores or metals such as antimony, bauxite, copper, and tin.

Nonmetallic imports used—most of which are direct requirements of this industry--include aluminum oxide, silicon carbide, corundum, asbestos, industrial diamonds, graphite, and rubber.

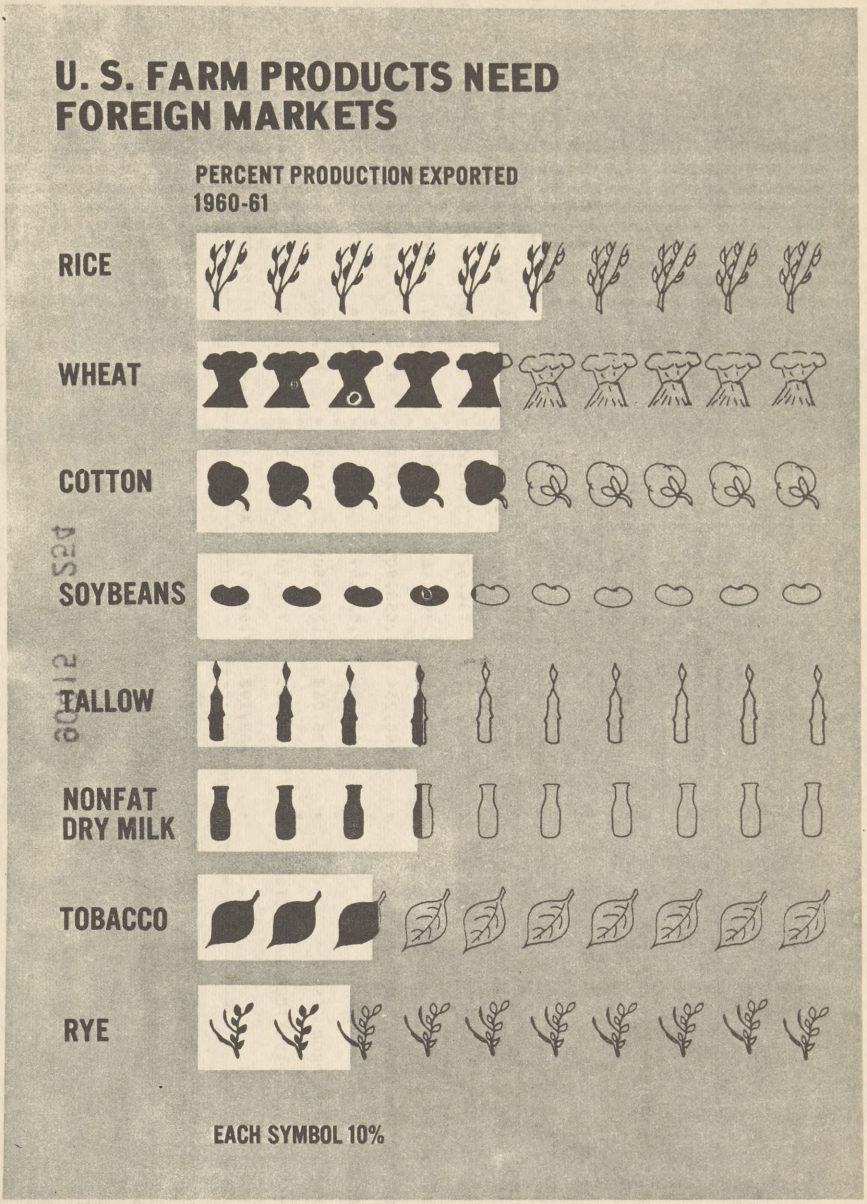
## Other Industries

Other Oregon industries that participated in the direct export of manufactured goods are chemicals and allied products and fabricated metals.

The Air Reduction Company has manufacturing facilities in PORTLAND that produce a variety of industrial gases. This company has 160 plants throughout the United States and Canada and a network of more than 2,000 distributors and dealers. Its international division represents its products overseas and 6 percent of the firm's 1960 sales income resulted from exports to foreign markets.

Continental Can Company, Incorporated, has a plant in PORTLAND that manufactures and exports, through its Overseas Division, metal cans of varied shapes for packaging a myriad of products from food to lubricants to aerosol products.

This analysis has covered those industries with the highest value of exports for which there is specific information available. For other industries with smaller exports, in many instances possibility of disclosure of individual firms prevented tabulation of the precise value of exports reported. While these industries could not be discussed in detail, their combined employment and overseas shipments made an important and significant contribution to the international activity of State of Oregon.


U. S. FARM PRODUCTS NEED
FOREIGN MARKETS
PERCENT PRODUCTION EXPORTED
1960-61
RICE
WHEAT
COTTON
SOYBEANS
TALLOW
NONFAT
DRY MILK
TOBACCO
RYE
EACH SYMBOL 10%

U. S. AGRICULTURAL EXPORT AND IMPORT EQUIVALENTS BY STATES
MAJOR COMMODITY GROUPINGS, FISCAL YEAR 1960-61

OREGON

| COMMODITY GROUP | AMOUNT SOLD OR HARVESTED 1959 CENSUS | | | EXPORTS | | IMPORTS | |
|---|---|---|---|---|---|---|---|
| | STATE | NATION | STATE SHARE OF NATION | NATIONAL EXPORTS FISCAL YEAR 1960-61 | STATE EQUIV. EXPORTS | NATIONAL SUPPLE-MENTARY IMPORTS 1960-61 | STATE EQUIV. IMPORTS |
| | $1,000 | $1,000 | PERCENT | $1,000 | $1,000 | $1,000 | $1,000 |
| FIELD CROPS-EXCL. VEGS., FRUITS AND NUTS 1/ | 132,656 | 10,492,820 | 1.2642 | 3,965,473 | 50,132 | 877,066 | 11,088 |
| VEGETABLES 1/ | 22,198 | 739,629 | 3.0012 | 87,346 | 2,621 | 67,847 | 2,036 |
| FRUITS AND NUTS 1/ | 43,084 | 1,398,462 | 3.0808 | 274,407 | 8,454 | 169,072 | 5,209 |
| TOTAL LIVESTOCK AND LIVESTOCK PRODUCTS | 190,254 | 17,058,805 | XX.XXXX | 612,691 | 6,843 | 639,491 | 7,240 |
| DAIRY PRODUCTS | 42,386 | 4,021,593 | 1.0539 | 130,696 | 1,377 | 52,727 | 556 |
| POULTRY AND POULTRY PRODUCTS | 25,063 | 2,257,504 | 1.1102 | 87,082 | 967 | 2,031 | 23 |
| OTHER LIVESTOCK AND LIVESTOCK PRODUCTS | 122,805 | 10,779,708 | 1.1392 | 394,913 | 4,499 | 584,733 | 6,661 |
| TOTAL AGRICULTURAL PRODUCTS | 388,192 | 29,689,716 | XX.XXXX | 4,939,917 | 68,050 | 1,753,476 | 25,573 |

$.18 OF EACH DOLLAR'S WORTH OF FARM PRODUCTS SOLD BY THIS STATE CAME FROM EXPORTS.

THE EXPORT AND IMPORT EQUIVALENTS SHOW THE PROPORTIONATE SHARE OF NATIONAL AGRICULTURAL EXPORTS AND COMPETITIVE AGRICULTURAL IMPORTS AND DO NOT NECESSARILY MEAN THAT THE COMMODITIES SHOWN WERE ACTUALLY EXPORTED OR IMPORTED. THEY DO REFLECT, HOWEVER, THE COMMON STAKE OF THE STATE IN TOTAL NATIONAL TRADE.

1/ INCLUDES PRODUCTS AND PREPARATIONS

USDA-ERS

## AGRICULTURE*

Sixty million acres of American cropland -- one out of every six acres harvested -- produce for export.

American agricultural exports are running at a record high rate of $5 billion a year. U. S. farmers need these exports as an outlet for their efficient and abundant production, and as an important source of income. Foreign consumers need these exports as a significant source of food and clothing.

In fiscal year 1960-61 U. S. exports equaled half of the Nation's production of cotton, wheat, rice, and dried peas; two-fifths of the output of soybeans and tallow; a third of the production of tobacco, hops, flaxseed, and nonfat dry milk; a fifth of the dried whole milk output; and a sixth of the feed grains sold off farms. Other important exports were fruits, poultry meat, and variety meats.

OREGON'S farmers have a direct stake in exports of some of these agricultural commodities.

About 4,500 farm workers may be attributed to the production of farm products that were exported both in unprocessed and in processed form. This number represents 4.9 percent of the 92,000 total workers on farms. (Estimates prepared in cooperation with the Bureau of Labor Statistics.)

Oregon's equivalent share in the 1960-61 national agricultural export total was $50.1 million for field crops; $8.5 million for fruits and nuts; $6.8 million for livestock and livestock products; and $2.6 million vegetables.

For leading individual commodities, Oregon's equivalent was $32 million for wheat, $1.4 million for pears, $1.4 million for plums and prunes, $198 thousand for apples, $106 thousand for filberts and hazelnuts, $1.4 million for dairy products, and $1 million for poultry and poultry products.

("Equivalent share" signifies a State or District's proportionate contribution to national sales or output as determined from the Agricultural Census data. The share reflects the common stake in national trade and does not necessarily mean that the "equivalent share" shown was actually exported or imported.)

As a whole, the equivalent share of agricultural exports from Oregon is over 2 times as large as the equivalent share of competing imports.

Oregon, like every other part of America, is an importer of agricultural products. These are largely tropical or semi-tropical products not grown here, such as coffee, tea, spices, bananas, rubber, etc. In addition, there are imports of competing products, often of special grade and higher in price. Under Section 22 of the Agricultural Adjustment Act as amended, imports of the following commodities are limited: Wheat and wheat products, cotton, cotton waste, cotton produced in any stage preceding spinning into yarn (picker lap), certain manufactured dairy products, peanuts, tung nuts, tung oil.

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*Prepared by the U. S. Department of Agriculture.

The domestic market, however, is unable to absorb the total output of America's highly productive agriculture. Fortunately, there is active need for these products in foreign countries. In the more prosperous countries, incomes are rising and there is excellent opportunity to sell larger amounts of U. S. farm products, provided such countries maintain liberal trade policies that permit U. S. agricultural commodities to enter and compete on equal terms with those of other suppliers. In the less prosperous countries, U. S. farm products obtained under such programs as Food for Peace are helping these countries in their economic development and at the same time are increasing U. S. prospects for future commercial sales to them.

## FISHING INDUSTRY*

Fishery exports contribute a small but growing market for the United States fishing industry. In 1960, they rose to $44 million, equivalent to 5 percent of the estimated $827 million wholesale value of the Nation's fishery catch. An important factor in the export rise was the removal, late in 1959, of most of the strict import controls which many nations had adopted in 1948.

The American fishing and related industries employed about 530,000 workers in 1960 and approximately 2 million people, including the families of fishermen and other workers, were directly or indirectly dependent upon the fishery resources.

Major export items include fish oils, canned and frozen salmon, canned and frozen shrimp, canned sardines, seal furs, and unmanufactured shells. Export sales broaden the market and the production base for various American fishery products which are competitive in foreign markets. In fact, such fish items as menhaden oil, canned California sardines and canned squid are largely dependent upon export markets; while canned, frozen and cured salmon, and canned and frozen shrimp are to a lesser extent so dependent.

As an importer of fishery products, the United States leads the rest of the world. In 1960, fish imports were valued at $360 million (foreign value) and represented about 45 percent of the wholesale value of the domestic catch. Imports in many cases supplement production available to domestic processing firms. To a certain extent, imports have resulted in lower average prices for some domestic products.

Leading import commodities include shrimp products, lobster, groundfish fillets and blocks, tuna products, and fish meal.

<u>Oregon firms exported fishery products valued at an estimated $800 thousand in 1960</u>.

<u>About 1,200 persons are employed in Oregon plants which produce for export</u>.

Firms engaged in production for export are located mainly in the <u>1st District</u>. Principal firms are:

Barhey Packing Co.
Columbia River Packers Association
Point Adams Packing Co.
Union Fisherman's Cooperative Packing Co.

*Based on data supplied by the U. S. Department of the Interior, Fish and Wildlife Service.

MANUFACTURING ESTABLISHMENTS REPORTING THE EXPORT OF PRODUCTS IN 1960,
THE NUMBER OF THESE ESTABLISHMENTS, THEIR EMPLOYMENT AND REPORTED EXPORTS, COMPARED WITH
TOTAL MANUFACTURING EXPORTS, BY REGION AND STATE

| Geographic Region and State | Establishments reporting exports | | | Total Manufacturing Exports and Estimated Regional and State Totals (millions of $s) |
|---|---|---|---|---|
| | Number of Establishments | All Employees, Annual Average | Value of Exports Reported (millions of $s) | |
| UNITED STATES, TOTAL | 7,496 | 5,699,981 | $ 9,792.4 | $ 15,454.3 |
| New England | 721 | 482,036 | 551.8 | 1,013.7 |
| Maine | 26 | 16,271 | 14.5 | 37.5 |
| New Hampshire | 39 | 18,166 | 30.3 | 54.7 |
| Vermont | 24 | 11,161 | 15.5 | 28.1 |
| Massachusetts | 319 | 204,495 | 224.4 | 435.2 |
| Rhode Island | 63 | 28,066 | 22.2 | 65.9 |
| Connecticut | 250 | 203,877 | 244.7 | 385.9 |
| Middle Atlantic | 1,894 | 1,443,830 | 2,271.2 | 3,506.1 |
| New York | 685 | 573,331 | 888.1 | 1,417.4 |
| New Jersey | 505 | 296,404 | 587.2 | 897.0 |
| Pennsylvania | 704 | 574,095 | 795.7 | 1,189.5 |
| East North Central | 2,500 | 2,084,340 | 3,119.5 | 4,503.8 |
| Ohio | 785 | 628,666 | 921.5 | 1,299.4 |
| Indiana | 312 | 310,259 | 310.2 | 483.6 |
| Illinois | 666 | 464,430 | 971.1 | 1,407.8 |
| Michigan | 487 | 482,960 | 646.5 | 898.7 |
| Wisconsin | 250 | 198,025 | 270.0 | 411.4 |
| West North Central | 438 | 294,334 | 378.6 | 764.0 |
| Minnesota | 107 | 75,354 | 92.5 | 176.4 |
| Iowa | 101 | 84,987 | 121.4 | 243.0 |
| Missouri | 154 | 85,101 | 91.5 | 193.0 |
| North Dakota | 1 | D | D | 2.4 |
| South Dakota | 3 | D | D | 7.4 |
| Nebraska | 24 | 14,093 | 14.5 | 41.9 |
| Kansas | 48 | 30,729 | 56.7 | 96.6 |
| South Atlantic | 546 | 412,822 | 845.8 | 1,655.0 |
| Delaware | 25 | 12,267 | 14.4 | 28.4 |
| Maryland | 102 | 92,012 | 138.4 | 216.9 |
| District of Columbia | 2 | D | D | 7.7 |
| Virginia | 89 | 74,485 | 213.3 | 338.3 |
| West Virginia | 71 | 58,489 | 125.3 | 156.1 |
| North Carolina | 93 | 103,162 | 128.0 | 391.8 |
| South Carolina | 27 | 27,353 | 30.4 | 121.8 |
| Georgia | 82 | 54,502 | 107.0 | 230.8 |
| Florida | 55 | 29,028 | 85.1 | 158.8 |
| East South Central | 309 | 208,795 | 324.9 | 587.3 |
| Kentucky | 89 | 57,660 | 102.2 | 178.4 |
| Tennessee | 107 | 76,413 | 132.0 | 220.1 |
| Alabama | 78 | 60,946 | 54.4 | 109.2 |
| Mississippi | 35 | 13,776 | 36.1 | 77.0 |
| West South Central | 397 | 222,032 | 938.2 | 1,243.3 |
| Arkansas | 31 | 13,225 | 29.2 | 50.7 |
| Louisiana | 73 | 41,371 | 192.0 | 254.1 |
| Oklahoma | 51 | 19,966 | 65.5 | 98.9 |
| Texas | 242 | 147,470 | 651.3 | 836.6 |
| Mountain | 67 | 46,386 | 97.6 | 177.3 |
| Montana | 1 | D | D | 3.9 |
| Idaho | 10 | 2,065 | 8.4 | 15.6 |
| Wyoming | 1 | D | D | 0.7 |
| Colorado | 21 | 19,130 | 28.2 | 48.4 |
| New Mexico | 4 | 378 | 11.3 | 26.5 |
| Arizona | 12 | 12,635 | 12.8 | 29.3 |
| Utah | 13 | 9,724 | 32.0 | 45.8 |
| Nevada | 5 | 1,639 | 4.6 | 5.4 |
| Pacific | 624 | 500,228 | 1,264.3 | 1,994.2 |
| Washington | 86 | 95,276 | 393.7 | 582.8 |
| Oregon | 43 | 19,428 | 50.8 | 87.1 |
| California | 490 | 385,524 | 809.7 | 1,302.6 |
| Alaska | 1 | D | D | 4.0 |
| Hawaii | 4 | D | D | 15.5 |

Note: Figures may not add because of rounding. The $9.8 billion in exports reported in this survey were made by establishments with 100 employees or more and exporting $25,000 or more in 1960. Based on a Census company survey covering 1958, these establishments account for substantially all shipments known to the manufacturer to be destined for export. The $5.6 billion in exports not reported in the survey would be accounted for chiefly by products shipped through wholesalers, independent export houses, etc., and by small manufacturers.

The exports shown in this table are in f.o.b. plant values. The total value at port is estimated at $16,898 million, and exceeds the 1960 Census Bureau's totals for manufactured foodstuffs, semimanufactures and finished manufactures by some $800 million. Figures given here include exports to Puerto Rico, bunker sales of fuel to foreign vessels, and certain other adjustments developed by the Bureau of Labor Statistics in their study of direct and indirect employment attributable to exports.

The National total figures were prepared by the Bureau of Labor Statistics, based largely on Census export data and Census "bridge" tables on export and industry classification systems.

Regional and State distributions of exports, not reported directly by manufacturers, were estimated by the Office of Business Economics and the Bureau of International Programs, U. S. Department of Commerce, in order to account for local origin of all manufacturing exports. The figures reported by manufacturers are from a survey conducted by the Census Bureau of plants with more than 100 employees included in the Annual Survey of Manufactures.

D Withheld to avoid disclosing figures for individual companies.

Source: U. S. Department of Commerce

## THE STATE OF WASHINGTON AND FOREIGN TRADE

### SUMMARY HIGHLIGHTS

Foreign trade has a direct impact on every community, its economy, its industries, its workers, its farmers--the life and livelihood of all of its people.

MANUFACTURED EXPORTS

Exports of manufactured goods from WASHINGTON amounted to $582.8 million in 1960.

86 WASHINGTON establishments each exported more than $25,000 in 1960.

95,276 WASHINGTON workers were employed in these establishments. (Total number of manufacturing workers in WASHINGTON in 1958 was 211,896, according to the most recent Census Bureau Survey of Manufactures.)

WASHINGTON's major exporting industries are: Transportation equipment, paper and allied products, primary metals, food and kindred products, lumber and wood products, and non-electrical machinery.

WASHINGTON ranked 9th in the Nation in value of manufactured exports.

AGRICULTURAL EXPORTS

WASHINGTON's equivalent share of U.S. total exports of $4.9 billion of agricultural products was $112.9 million in the 1960-61 crop year.

Included were $86.2 million for field crops; $16.8 million for fruits and nuts; $7.7 million for livestock and livestock products; and $2.3 million for vegetables.

About 7,200 WASHINGTON farm workers may be attributed to the production of farm products that were exported both in unprocessed and in processed form. This number represents 6.4% of the 113,000 total workers on farms. (Estimates by the Departments of Agriculture and Labor.)

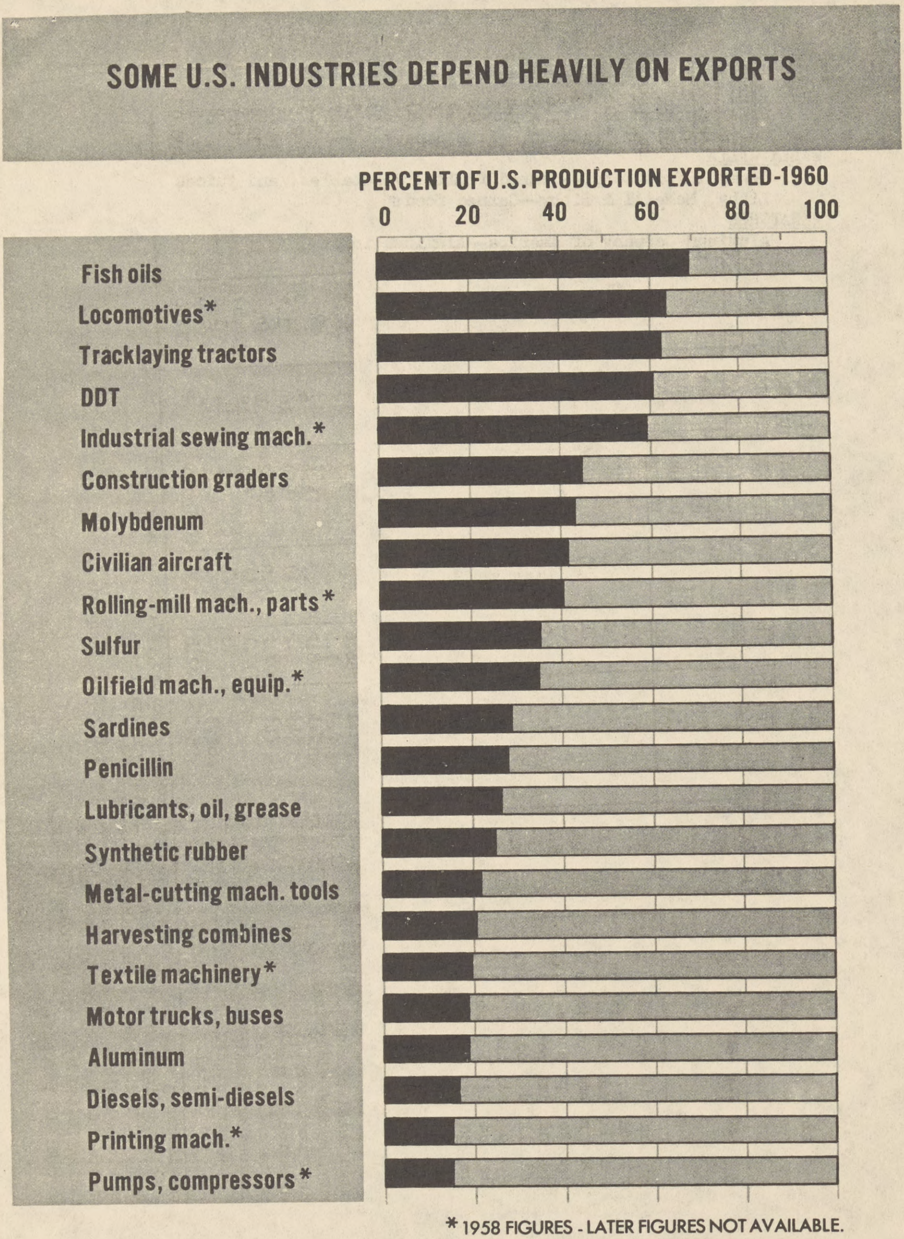
FISHERY EXPORTS

Exports of fishery products from WASHINGTON establishments were valued at $1.5 million in 1960.
Exports were primarily canned salmon.

The following individual companies are illustrative of those which contribute to the merchandise exports of WASHINGTON. They have extended permission to be identified as companies participating in direct exports:

ANACORTES
Shell Oil Company--Petroleum products
BELLINGHAM
Puget Sound Pulp and Timber Company--Sulfite woodpulp and paperboard
Pacific Coast Paper Mills--Tissue paper
CAMAS
Crown Zellerbach Corporation--Kraft and sulfite wrapping
EAST STANWOOD
Foremost Dairies, Inc.--Sterile milk
EVERETT
U.S. Industries, Inc. (Summer Iron Works)--Sawmill, plywood, and pulpmill machinery
GRANDVIEW
Libby, McNeill and Libby--Processed canned and frozen foods
HOQUIAM
Lamb-Grays Harbor Co., Inc.--Pulp and paper machinery
Rayonier, Incorporated--Chemical cellulose and papermaking pulps
KENT
Northwest Metal Products, Inc.--Hose clamps and building materials
LONGVIEW
Longview Fibre Company--Paperboard
MOUNT VERNON
Carnation Company--Evaporated milk
MEAD
Kaiser Aluminum & Chemical Corporation--Aluminum products
PORT ANGELES
Crown Zellerbach Corp.--Newsprint
PROSSER
National Dairy Products Company--Processed canned and frozen food
ROCK ISLAND
Keokuk Electro-Metals Company (Division of Vanadium Corp. of America)--Ferrosilicon and silicon metal
SEATTLE
Bethlehem Steel Company--Steel products
Continental Can Company, Inc.--Metal cans
Crescent Manufacturing Company--Baking-powder products
Fisher Flouring Mills Co.--Flour
Isaacson Iron Works--Steel products
Korry Manufacturing Co.--Aircraft electrical components
Pacific Car and Foundry Company--Fabricated structural steel and highway motor trucks
Stetson-Ross Machine Company, Inc.--Woodworking machinery
Washington Iron Works--Cranes, logging machinery, and hydraulic presses
Whiz Fish Products Company--Canned salmon and canned catfood
SEDRO WOOLEY
Skagit Steel & Iron Works--Logging machinery
STEILACOOM
West Tacoma Newsprint Co.--Newsprint
TACOMA
American Smelting and Refining Company--Refined nonferrous materials
Hooker Chemical Corporation--Chemicals
Pennsalt Chemicals Corporation--Chemicals

<u>TRENTWOOD</u>
Kaiser Aluminum & Chemical Corporation--Aluminum products
<u>VANCOUVER</u>
Columbia Machine, Inc.--Concrete block-making equipment
Columbia River Paper Co.--Fine papers
<u>WALLA WALLA</u>
General Food Corp.--Canned fruits, vegetables, and juices
Libby, McNeill & Libby--Canned foods
<u>WENATCHEE</u>
Aluminum Company of America--Aluminum ingots


SOME U.S. INDUSTRIES DEPEND HEAVILY ON EXPORTS
PERCENT OF U.S. PRODUCTION EXPORTED-1960
0
20
40
60
80
100
Fish oils
Locomotives*
Tracklaying tractors
DDT
Industrial sewing mach.*
Construction graders
Molybdenum
Civilian aircraft
Rolling-mill mach., parts*
Sulfur
Oilfield mach., equip.*
Sardines
Penicillin
Lubricants, oil, grease
Synthetic rubber
Metal-cutting mach. tools
Harvesting combines
Textile machinery*
Motor trucks, buses
Aluminum
Diesels, semi-diesels
Printing mach.*
Pumps, compressors*
* 1958 FIGURES - LATER FIGURES NOT AVAILABLE.

State of Washington

Exports and Employment of Manufacturing Establishments Reporting Exports,
Estimated Total Exports of Manufactured Products, 1960, and Total Manufacturing Employment in 1958

| Industry group | Establishments Reporting Exports in 1960(1) | | Estimated total exports of manufactured products, 1960(2) | | | | 1958 Census of Manufactures — All employees | | |
|---|---|---|---|---|---|---|---|---|---|
| | Exports value ($mil) | All employees number (1,000) | Value ($mil) | Percentage of U.S. total(3) | Percentage distribution in State | Rank in State | Number (1,000) | Percentage of U.S. total(3) | Percentage distribution in State |
| Food and kindred products | 19.1 | 3.7 | 30.2 | 1.9 | 5.2 | 4 | 26.5 | 1.5 | 12.5 |
| Tobacco products | - | - | - | - | - | - | - | - | - |
| Textile-mill products | - | - | 5) .1 | (X) | (X) | 17 | .6 | .1 | .3 |
| Apparel and related products | - | - | .8 | .4 | .1 | 9 | 3.5 | .3 | 1.6 |
| Lumber and wood products | 5.6 | 5.2 | 14.6 | 9.9 | 2.5 | 5 | 41.6 | 7.1 | 19.6 |
| Furniture and fixtures | - | - | .3 | .7 | .1 | 12 | 2.9 | .8 | 1.4 |
| Paper and allied products | 48.9 | 12.3 | 67.5 | 16.6 | 11.6 | 2 | 15.8 | 2.8 | 7.5 |
| Printing and publishing | - | - | .7 | .5 | .1 | 10 | 8.1 | .9 | 3.8 |
| Chemicals and allied products | (4) | (4) | 3.4 | .2 | .6 | 7 | 10.9 | 1.6 | 5.1 |
| Petroleum and coal products | (4) | (4) | .6 | .1 | .1 | 11 | 1.3 | .7 | .6 |
| Rubber and plastics products, n.e.c. | (4) | (4) | .2 | .1 | (X) | 15 | (4) | (4) | (4) |
| Leather and leather products | - | - | .1 | .1 | (X) | 18 | (4) | (4) | (4) |
| Stone, clay, and glass products | (4) | (4) | .3 | .2 | .1 | 13 | 4.9 | .9 | 2.3 |
| Primary metal industries | 51.2 | 7.1 | 56.6 | 5.2 | 9.7 | 3 | 10.3 | .9 | 4.9 |
| Fabricated metal products | 1.1 | 2.3 | 1.4 | .3 | .2 | 8 | 6.7 | .6 | 3.2 |
| Machinery, except electrical | 5.7 | 2.4 | 8.2 | .3 | 1.4 | 6 | 5.3 | .4 | 2.5 |
| Electrical machinery | (4) | (4) | .2 | (X) | (X) | 16 | 1.2 | .1 | .6 |
| Transportation equipment | (4) | (4) | 397.2 | 15.0 | 68.2 | 1 | 69.7 | 4.5 | 32.9 |
| Instruments and related products | - | - | 5) .1 | (X) | (X) | 19 | (4) | (4) | (4) |
| Miscellaneous manufacturing | - | - | .3 | .1 | .1 | 14 | 1.8 | .3 | .8 |
| Undistributed* | 262.1 | 62.3 | - | - | - | - | .9 | | .4 |
| Total | 393.7 | 95.3 | 582.8 | 3.8 | 100.0 | | 212.0 | 1.4 | 100.0 |

1) Establishments with 100 or more employees which exported $25,000 or more in 1960.
2) See accompanying table for explanation of these estimates.
3) Percent of U.S. total in each industry group.
4) Data withheld to avoid disclosing figures for individual companies.
5) Estimated by U.S. Department of Commerce.
* Not distributed by industry group.
X) Less than .05 percent.

Source: U.S. Department of Commerce.

USCOMM-DC-52109-22

## MANUFACTURED EXPORTS*

U. S. exports of manufactures made up more than 75 percent of total exports for the year 1960. These manufactured exports were valued at $15.5 billion, f.o.b. plant.

Nationally, the six largest industry groups were: Non-electrical machinery ($2.9 billion); transportation equipment ($2.7 billion); chemicals and allied products ($ 1.8 billion); food and kindred products ($1.6 billion); primary metals ($1.1 billion); and electrical machinery ($1.0 billion).

Approximately 6 million workers were employed in U. S. manufacturing establishments each of which exported $25,000 or more in 1960. Thus, one out of every three industrial workers in the United States was employed in plants which produced for export. These plants accounted for about 45 percent of all U. S. manufacturers' shipments in 1960.

These facts were revealed by a recent survey of the geographic origin of U. S. exports of manufactures conducted by the Bureau of the Census. Nearly 8,000 manufacturing establishments, reporting two-thirds of U. S. manufactured exports, responded to this survey, the first of its kind in the United States. Regional and State distributions of exports for the remaining one-third were estimated by the U. S. Department of Commerce.

The following analysis is based on data from this survey.

### THE STATE OF WASHINGTON

Washington's most valuable resources are its forests. These forests are one of the nation's few remaining sources of first quality softwood lumber. Following the pattern set by the West Coast's industrial leader, California, Washington's industrial economy in recent years has experienced considerable growth but has not achieved any great degree of diversification in the heavy industry area.

The transportation and primary metal industries are important segments of Washington's economy particularly with respect to the manufacture of aircraft and aluminum. Development of hydroelectric power in the State has given great impetus to the smelting, refining, and casting of metals.

Dairying, fruit growing, and livestock raising are also important industries in the State.

*Prepared by the U. S. Department of Commerce.

Total value of exports from the State of Washington in 1960 was estimated at $582.8 million. A total of 86 establishments, exporting $25,000 or more, reported $393.7 million of this total. These establishments employed 95,276 workers and their exports represented 16 percent of their total value of shipments. The balance was exported indirectly through middlemen by these same establishments or by other establishments.

Washington's percentage share of the total U. S. exports is 3.8 percent and ranked 9th in the Nation in value of manufactured exports.

The significant exporting industries are: Transportation equipment, paper and allied products, primary metal products, food and kindred products, lumber and wood products, and non-electrical machinery. Together these industries shipped products overseas estimated at approximately $574 million.

## Transportation Equipment

Total value of exports of transportation equipment from the State of Washington in 1960 was estimated at $397.2 million. A total of 3 establishments exported $25,000 or more during that year. At the national level Washington ranked 3rd in the Nation in the export of transportation equipment during the year 1960.

The Boeing Company, which operates establishments in SEATTLE, RENTON, and MOSES LAKE, is among the Washington exporters of transportation equipment. It designs, develops, and manufactures large military and commercial aircraft, military and commercial helicopters, lightweight gas turbines, and missiles. It has wholly owned subsidiaries in Canada and Europe.

Other Washington establishments engaged in the manufacture and export of transportation equipment are: Northwestern Mobile Homes, in VERADALE, automobile trailer and chassis; Aero Liner Company, of DISHMAN, truck trailers and chassis; Puget Sound Bridge and Dry Dock Company, of SEATTLE, self-propelled ships; Glasspar Company, in OLYMPIA, boats; Clayton B. Merry, LEAVENWORTH, motorcycles and bicycles.

Best customers for similar U. S. exports in 1960 were Canada, Mexico, France, Brazil, and Venezuela.

The transportation equipment industry uses many imported materials that are incorporated into its finished manufactured products. In most cases the imported materials have been used in earlier production processes by other industries in parts, components, and semifinished materials used in making transportation equipment.

For example, many of the alloying elements used in making sheet steel are imported. Other imports used in the transportation industry include antimony, mercury, asbestos, mica, and nickel to mention only a few. Bauxite from which aluminum is extracted must be imported; imported natural rubber is used in tires and moldings; and sisal and jute are used for upholstery padding; imported sperm oil is used in brake fluid and special lubricants.

## Paper and Allied Products

Total value of exports of paper and allied products from the State of Washington in 1960 was estimated at $67.5 million. Total of 19 establishments, exporting $25,000 or more, reported $48.9 million of this total. These establishments employed 12,259 workers and their exports represented 11 percent of their total value of shipments.

Washington ranked 1st in the Nation in the export of paper and allied products during the year 1960.

The most significant segment of this industry in terms of value of exports was pulp. Reported exports of paper pulp were valued at $33.3 million in 1960 and this industry employed 4,211 persons in Washington during 1960.

Rayonier Incorporated is illustrative of the firms exporting pulp. It is one of the world's leading producers of dissolving bleached woodpulps and is a major supplier of bleached woodpulp to the domestic and overseas paper trade. It has mills at HOQUIAM, PORT ANGELES, and SHELTON, which utilize Western hemlock in the manufacture of pulps.

In addition to dissolving pulps, which comprise the bulk of its business, Rayonier Inc. produces paper-grade bleached sulfite pulps used in the manufacture of fine papers, and fine papers of printing and writing grades. It has substantial holdings of standing timber in the State and a researh laboratory at SHELTON, Washington; also silichemical plants at HOQUIAM, JESUP, and VANCOUVER. Wholly owned and consolidated subsidiaries are located in Canada and the Bahamas.

Other Washington exporters of paper and allied products are Puget Sound Pulp and Timber Co. of BELLINGHAM, manufacturers of woodpulp and paperboard; Pacific Coast Paper Mills of BELLINGHAM, tissue paper; Crown Zellerbach Corp. of CAMAS, industrial and tissue paper; Longview Fibre Co. of LONGVIEW, paperboard; Columbia River Paper Co. of TACOMA, fine papers.

Best customers for similar U.S. exports in 1960 were the United Kingdom, Japan, West Germany, Canada, Italy, Venezuela, and the Republic of the Philippines.

## Primary Metal Products

Total value of exports of primary products from the State of Washington in 1960 was estimated at $56.6 million. A total of 10 establishments, exporting $25,000 or more, reported $51.2 million of this total. These establishments employed 7,052 workers and their exports represented 16 percent of their total value of shipments.

The Aluminum Company of America, (Alcoa) is illustrative of the firms exporting primary metal products. With its subsidiaries it is an intergrated producer and fabricator of aluminum. Its principal operations include mining and processing of bauxite, transportation of bauxite to the United States, production of alumina from bauxite, smelting of aluminum from alumina, making of aluminum alloys, and fabrication of aluminum and aluminum alloys into semi-finished and finished products. Alcoa's production of primary aluminum in 1960 was 36 percent of the U.S. total. It has financial interest in companies in the United Kingdom, Japan, and Australia.

The company owns aluminum smelting plants at VANCOUVER and WENATCHEE and a rod, wire, extrusions, cable, and cable accessories fabricating plant at VANCOUVER.

Other Washington exporters of primary metal products include Kaiser Aluminum and Chemical Corp., in MEAD, aluminum products; Keokuk Electro-Metals Corp. (division of Vanadium Corp. of America), in ROCK ISLAND, ferrosilicon and silicon metal; Bethlehem Steel Company, in SEATTLE, steel products; American Smelting and Refining Company, in TACOMA, refined nonferrous materials.

Best customers for similar U.S. exports in 1960 were Canada, the United Kingdom, Mexico, France, West Germany, Japan, and Italy.

The primary metal industries are great consumers of metallic minerals. In many cases the United States is not self-sufficient in basic minerals needed for this industry. In iron ore for example, the United States has a diminishing supply. Among the ferroalloys, it has a large deficit of chromite and manganese and smaller deficits in cobalt and tungsten. This country also has an insufficient supply of antimony, bauxite, mercury, silver, tin, and platinum.

This industry uses in varying degree the following imported materials: Iron ore, antimony, asbestos, bauxite, beryl, bismuth, cadmium, celestite, chromite, cobalt, columbite-tantalite, copper, fluorspar, graphite, kyanite-mullite, manganese, nickel, platinum, rare earths, rutile, silicon, tin, and tungsten.

## Food and Kindred Products

Total value of exports of food and kindred products from the State of Washington in 1960 was estimated at $30.2 million. A total of 20 establishments, exporting $25,000 or more, reported $19.1 million of this total. These establishments employed 3,695 workers and their exports represented 10 percent of their total value of shipments.

Libby, McNeill & Libby is illustrative of the firms exporting food and kindred products. The company and its subsidiaries engage principally in the preparing, canning, freezing, packaging, and marketing of canned and frozen foods; and it is one of the largest and most diversified foodpackers.

The company operates 45 plants in the United States, Canada, England, Belgium, and West Germany.

The company operates in the towns of KENT, YAKIMA, WALLA WALLA, MOUNT VERNON, and GRANDVIEW canneries for packing fruits, vegetables, pickles, and condiments. Foreign subsidiaries are maintained in Canada, England, Belgium, West Germany, and the Philippines.

Other Washington exporters of food and kindred products include the Carnation Company, with an establishment at MOUNT VERNON, processing and exporting evaporated milk; the Fisher Flouring Mills, of SEATTLE, exporting flour; the Whiz Fish Products Company, of SEATTLE, processing and exporting canned salmon and canned catfood; Longview Meat Company, of LONGVIEW, processing and exporting meat products; Valley Evaporation Company, of YAKIMA, canning and exporting fruit juices.

Best customers for similar U. S. exports in 1960 were West Germany, Canada, the United Kingdom, the Netherlands, Switzerland, Egypt, Indonesia, Nigeria, Belgium, Luxembourg, and Venezuela.

The food processing industry, including bakeries, dairies, and beverage and meat processors, uses imports. Various kinds of spices and flavorings, nuts, fresh and dried fruits, sugar, coffee, tea, and cocoa are imported as well as tapioca. Firms in this industry also import inedible items such as cork, gums, casings, burlap, and bagging.

## Lumber and Wood Products

Total value of exports of lumber and wood products from the State of Washington in 1960 was estimated at $14.6 million.

A total of five establishments exporting $25,000 or more, reported $5.6 million of this total. Washington was 2nd in the Nation in reported exports of lumber and wood products during the year 1960.

The Weyerhaeuser Co. is illustrative of the firms exporting lumber and wood products. The company owns sawmills in EVERETT, LONGVIEW, ABERDEEN, SNOQUALMIE FALLS, ENUMCLAW, and RAYMOND, and a sulfite pulp mill, kraft pulp mill, and research plant in LONGVIEW, a milk carton plant at VANCOUVER, a shipping container plant at YAKIMA, and operates several major logging projects in TACOMA.

Directly and through its subsidiaries it is a leading manufacturer and distributor of timber products. It produces lumber, plywood, hardwood and fabricated structural products, pulp, paperboard, hard board, and other wood fiber and bark products; and converts a substantial portion of its paperboard production into shipping containers, milk cartons, and folding boxes. The company has manufacturing plants in 27 states, in Ontario and Quebec, and in Costa Rica. It owns and operates extensive timberlands mainly in Oregon, Washington, and North Carolina. Subsidiaries operate logging railroads, a fleet of oceangoing steamships, and docking facilities.

The company exports logs, rough lumber and sawed ties, dressed lumber, wood chips, and plywood from its establishments in Washington.

Other Washington exporters of lumber and wood products include Paxport Mills Inc., in TACOMA, rough lumber and hardwood dimension lumber; International Paper Co. (Long-Bell Div.), in LONGVIEW, dressed lumber; Eclipse Lumber Co., in EVERETT, softwood flooring; Olympia Shingle Co., in OLYMPIA, shingles; Seattle Door Company, in KIRKLAND, wood doors.

Best customers for similar U.S. exports in 1960 were Canada, Australia, the United Kingdom, West Germany, and the Republic of Korea.

## Non-Electrical Machinery

Total value of exports of non-electrical machinery from the State of Washington in 1960 was estimated at $8.2 million. A total of 10 establishments, exporting $25,000 or more, reported $5.7 million of this total. These establishments employed 2,434 workers and their exports represented 13 percent of their total value of shipments.

The most significant segment of this industry was special industry machinery which accounted for approximately 35 percent of the value of non-electrical machinery exported by Washington establishments.

The Pacific Car and Foundry Company is illustrative of Washington firms manufacturing and exporting non-electrical machinery. Its establishments in SEATTLE and RENTON manufacture and export non-electrical machinery. The company builds and manufactures railway refrigerator, freight, and logging cars, logging arches, tractor winches and hoists, bulldozers, heavy-duty trucks, and earthmovers. It has a foreign subsidiary in Canada.

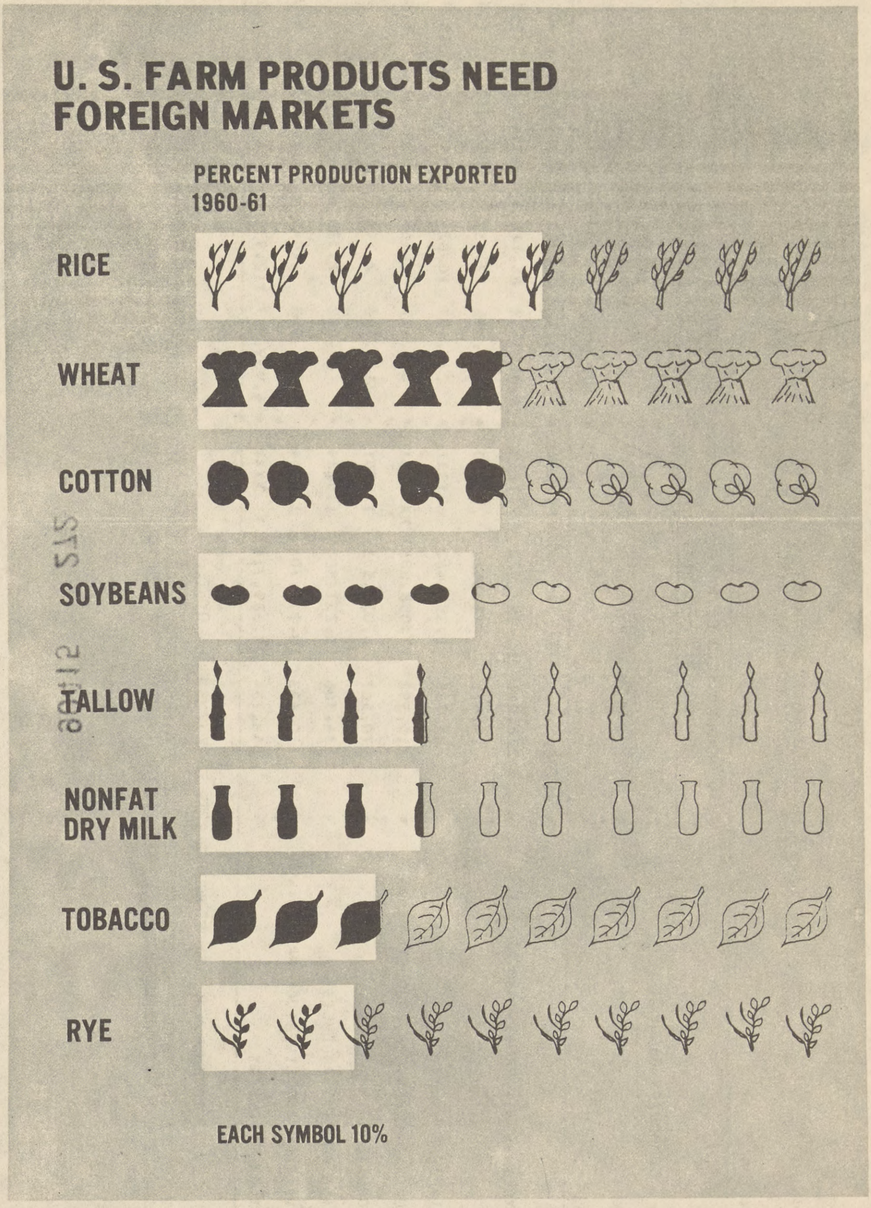
Other Washington establishments manufacturing and exporting special industry machinery were the Sumner Iron Works, in EVERETT, sawmill and pulpmill machinery; Lamb-Grays Harbor, Inc., in HOQUIAM, pulp and paper machinery; Stetson-Ross Machine Company, Inc., of SEATTLE, cranes, logging machinery, and hydraulic presses; Skagit Steel and Iron Works, in SEDRO WOOLEY, logging machinery; and Columbia Machine, Inc., of VANCOUVER, concrete-block-making equipment.

Best customers for similar U.S. exports in 1960 were Canada, Mexico, Japan, the United Kingdom, Argentina, West Germany, France, Brazil, and Colombia.

The non-electrical machinery industry is indirectly dependent on imports for its high volume of production. Large quantities of ferroalloys, for instance, are produced by the primary metals industry from imported ores and concentrates of manganese, chromite, nickel, cobalt and columbite-tantalite, and tungsten. Other indirect import requirements include nonferrous ores or metals such as antimony, bauxite, copper, and tin.

Nonmetallic imports used -- most of which are direct requirements of this industry -- include aluminum oxide, silicon carbide, corundum, asbestos, industrial diamonds, graphite, and rubber.

This analysis has covered those industries with the highest value of exports for which there is specific information available. For other industries with smaller exports, in many instances possibility of disclosure of individual firms prevented tabulation of the precise value of exports reported. While these industries could not be discussed in detail, their combined employment and overseas shipments made an important and significant contribution to the international activity of the State of Washington.


U. S. FARM PRODUCTS NEED FOREIGN MARKETS
PERCENT PRODUCTION EXPORTED
1960-61
RICE
WHEAT
COTTON
SOYBEANS
TALLOW
NONFAT DRY MILK
TOBACCO
RYE
EACH SYMBOL 10%

U. S. AGRICULTURAL EXPORT AND IMPORT EQUIVALENTS BY STATES
MAJOR COMMODITY GROUPINGS, FISCAL YEAR 1960-61

WASHINGTON

| COMMODITY GROUP | AMOUNT SOLD OR HARVESTED 1959 CENSUS | | | EXPORTS | | IMPORTS | |
|---|---|---|---|---|---|---|---|
| | STATE | NATION | STATE SHARE OF NATION | NATIONAL EXPORTS FISCAL YEAR 1960-61 | STATE EQUIV. EXPORTS | NATIONAL SUPPLE-MENTARY IMPORTS 1960-61 | STATE EQUIV. IMPORTS |
| | $1,000 | $1,000 | PERCENT | $1,000 | $1,000 | $1,000 | $1,000 |
| FIELD CROPS-EXCL. VEGS., FRUITS AND NUTS 1/ | 228,011 | 10,492,820 | 2.1730 | 3,965,473 | 86,170 | 877,066 | 19,059 |
| VEGETABLES 1/ | 19,571 | 739,629 | 2.6460 | 87,346 | 2,311 | 67,847 | 1,795 |
| FRUITS AND NUTS 1/ | 85,763 | 1,398,462 | 6.1327 | 274,407 | 16,829 | 169,072 | 10,369 |
| TOTAL LIVESTOCK AND LIVESTOCK PRODUCTS | 215,388 | 17,058,805 | XX.XXXX | 612,691 | 7,665 | 639,491 | 6,946 |
| DAIRY PRODUCTS | 70,587 | 4,021,593 | 1.7551 | 130,696 | 2,294 | 52,727 | 925 |
| POULTRY AND POULTRY PRODUCTS | 34,368 | 2,257,504 | 1.5224 | 87,082 | 1,326 | 2,031 | 31 |
| OTHER LIVESTOCK AND LIVESTOCK PRODUCTS | 110,433 | 10,779,708 | 1.0244 | 394,913 | 4,045 | 584,733 | 5,990 |
| TOTAL AGRICULTURAL PRODUCTS | 548,734 | 29,689,716 | XX.XXXX | 4,939,917 | 112,975 | 1,753,476 | 38,169 |

$.21 OF EACH DOLLAR'S WORTH OF FARM PRODUCTS SOLD BY THIS STATE CAME FROM EXPORTS.

THE EXPORT AND IMPORT EQUIVALENTS SHOW THE PROPORTIONATE SHARE OF NATIONAL AGRICULTURAL EXPORTS AND COMPETITIVE AGRICULTURAL IMPORTS AND DO NOT NECESSARILY MEAN THAT THE COMMODITIES SHOWN WERE ACTUALLY EXPORTED OR IMPORTED. THEY DO REFLECT, HOWEVER, THE COMMON STAKE OF THE STATE IN TOTAL NATIONAL TRADE.

1/ INCLUDES PRODUCTS AND PREPARATIONS

USDA-ERS

## AGRICULTURE*

Sixty million acres of American cropland--one out of every six acres harvested--produce for export.

American agricultural exports are running at a record high rate of $5 billion a year. U. S. farmers need these exports as an outlet for their efficient and abundant production, and as an important source of income. Foreign consumers need these exports as a significant source of food and clothing.

In fiscal year 1960-61 U. S. exports equaled half of the Nation's production of cotton, wheat, rice, and dried peas; two-fifths of the output of soybeans and tallow; a third of the production of tobacco, hops, flaxseed, and nonfat dry milk; a fifth of the dried whole milk output; and a sixth of the feed grains sold off farms. Other important exports were fruits, poultry meat, and variety meats.

WASHINGTON'S farmers have a direct stake in exports of some of these agricultural commodities.

About 7,200 farm workers may be attributed to the production of farm products that were exported both in unprocessed and in processed form. This number represents 6.4 percent of the 113,000 total workers on farms. (Estimates prepared in cooperation with the Bureau of Labor Statistics.)

Washington's equivalent share in the 1960-61 national agricultural export total was $86.2 million for field crops; $16.8 million for fruits and nuts; $7.7 million for livestock and livestock products; and $2.3 million for vegetables.

For leading individual commodities, Washington's equivalent was $83.5 million for wheat, $2.5 million for apples, $1.1 million for pears, $806 thousand for plums and prunes, $782 thousand for peaches, $2.3 million for dairy products, and $1.3 million for poultry and poultry products.

("Equivalent share" signifies a State or District's proportionate contribution to national sales or output as determined from the Agricultural Census data. The share reflects the common stake in national trade and does not necessarily mean that the "equivalent share" shown was actually exported or imported.)

As a whole, the equivalent share of agricultural exports from Washington is 3 times as large as the equivalent share of competing imports.

Washington, like every other part of America, is an importer of agricultural products. These are largely tropical or semi-tropical products not grown here, such as coffee, tea, spices, bananas, rubber, etc. In addition, there are imports of competing products, often of special grade and higher in price. Under Section 22 of the Agricultural Adjustment Act as amended, imports of the following commodities are limited: Wheat and wheat products, cotton, cotton waste, cotton produced in any stage preceding spinning into yarn (picker lap), certain manufactured dairy products, peanuts, tung nuts, and tung oil.

*Prepared by the U. S. Department of Agriculture.

The domestic market, however, is unable to absorb the total output of America's highly productive agriculture. Fortunately, there is active need for these products in foreign countries. In the more prosperous countries, incomes are rising and there is excellent opportunity to sell larger amounts of U. S. farm products, provided such countries maintain liberal trade policies that permit U. S. agricultural commodities to enter and compete on equal terms with those of other suppliers. In the less prosperous countries, U. S. farm products obtained under such programs as Food for Peace are helping these countries in their economic development and at the same time are increasing U. S. prospects for future commercial sales to them.

## FISHING INDUSTRY*

Fishery exports contribute a small but growing market for the United States fishing industry. In 1960, they rose to $44 million, equivalent to 5 percent of the estimated $827 million wholesale value of the Nation's fishery catch. An important factor in the export rise was the removal, late in 1959, of most of the strict import controls which many nations had adopted in 1948.

The American fishing and related industries employed about 530,000 workers in 1960 and approximately 2 million people, including the families of fishermen and other workers, were directly or indirectly dependent upon the fishery resources.

Major export items include fish oils, canned and frozen salmon, canned and frozen shrimp, canned sardines, seal furs, and unmanufactured shells. Export sales broaden the market and the production base for various American fishery products which are competitive in foreign markets. In fact, such fish items as menhaden oil, canned California sardines and canned squid are largely dependent upon export markets; while canned, frozen and cured salmon, and canned and frozen shrimp are to a lesser extent so dependent.

As an importer of fishery products, the United States leads the rest of the world. In 1960, fish imports were valued at $360 million (foreign value) and represented about 45 percent of the wholesale value of the domestic catch. Imports in many cases supplement production available to domestic processing firms. To a certain extent, imports have resulted in lower average prices for some domestic products.

Leading import commodities include shrimp products, lobster, groundfish fillets and blocks, tuna products, and fish meal.

Exports of fishery products from Washington firms were valued at about $1.5 million in 1960. Exports were mainly canned salmon, packed in the 1st and 2nd Districts.

About 1,500 persons are employed in Washington canning plants which produce for export.

*Based on data supplied by the U. S. Department of the Interior, Fish and Wildlife Service.

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MANUFACTURING ESTABLISHMENTS REPORTING THE EXPORT OF PRODUCTS IN 1960, THE NUMBER OF THESE ESTABLISHMENTS, THEIR EMPLOYMENT AND REPORTED EXPORTS, COMPARED WITH TOTAL MANUFACTURING EXPORTS, BY REGION AND STATE

| Geographic Region and State | Establishments reporting exports: Number of Establishments | All Employees, Annual Average | Value of Exports Reported (millions of $s) | Total Manufacturing Exports and Estimated Regional and State Totals (millions of $s) |
|---|---|---|---|---|
| UNITED STATES, TOTAL | 7,496 | 5,699,981 | $ 9,792.4 | $ 15,454.3 |
| New England | 721 | 482,036 | 551.8 | 1,013.7 |
| Maine | 26 | 16,271 | 14.5 | 37.5 |
| New Hampshire | 39 | 18,166 | 30.3 | 54.7 |
| Vermont | 24 | 11,161 | 15.5 | 28.1 |
| Massachusetts | 319 | 204,495 | 224.4 | 435.2 |
| Rhode Island | 63 | 28,066 | 22.2 | 65.9 |
| Connecticut | 250 | 203,877 | 244.7 | 385.9 |
| Middle Atlantic | 1,894 | 1,443,830 | 2,271.2 | 3,506.1 |
| New York | 685 | 573,331 | 888.1 | 1,417.4 |
| New Jersey | 505 | 296,404 | 587.2 | 897.0 |
| Pennsylvania | 704 | 574,095 | 795.7 | 1,189.5 |
| East North Central | 2,500 | 2,084,340 | 3,119.5 | 4,503.8 |
| Ohio | 785 | 628,666 | 921.5 | 1,299.4 |
| Indiana | 312 | 310,259 | 310.2 | 483.6 |
| Illinois | 666 | 464,430 | 971.1 | 1,407.8 |
| Michigan | 487 | 482,960 | 646.5 | 898.7 |
| Wisconsin | 250 | 198,025 | 270.0 | 411.4 |
| West North Central | 438 | 294,334 | 378.6 | 764.0 |
| Minnesota | 107 | 75,354 | 92.5 | 176.4 |
| Iowa | 101 | 84,987 | 121.4 | 243.0 |
| Missouri | 154 | 85,101 | 91.5 | 193.0 |
| North Dakota | 1 | D | D | 2.4 |
| South Dakota | 3 | D | D | 7.4 |
| Nebraska | 24 | 14,093 | 14.5 | 41.9 |
| Kansas | 48 | 30,729 | 56.7 | 96.6 |
| South Atlantic | 546 | 412,822 | 845.8 | 1,655.0 |
| Delaware | 25 | 12,267 | 14.4 | 28.4 |
| Maryland | 102 | 92,012 | 138.4 | 216.9 |
| District of Columbia | 2 | D | D | 7.7 |
| Virginia | 89 | 74,485 | 213.3 | 338.3 |
| West Virginia | 71 | 58,489 | 125.3 | 156.1 |
| North Carolina | 93 | 103,162 | 128.0 | 391.8 |
| South Carolina | 27 | 27,353 | 30.4 | 121.8 |
| Georgia | 82 | 54,502 | 107.0 | 230.8 |
| Florida | 55 | 29,028 | 85.1 | 158.8 |
| East South Central | 309 | 208,795 | 324.9 | 587.3 |
| Kentucky | 89 | 57,660 | 102.2 | 178.4 |
| Tennessee | 107 | 76,413 | 132.0 | 220.1 |
| Alabama | 78 | 60,946 | 54.4 | 109.2 |
| Mississippi | 35 | 13,776 | 36.1 | 77.0 |
| West South Central | 397 | 222,032 | 938.2 | 1,243.3 |
| Arkansas | 31 | 13,225 | 29.2 | 50.7 |
| Louisiana | 73 | 41,371 | 192.0 | 254.1 |
| Oklahoma | 51 | 19,966 | 65.5 | 98.9 |
| Texas | 242 | 147,470 | 651.3 | 836.6 |
| Mountain | 67 | 46,386 | 97.6 | 177.3 |
| Montana | 1 | D | D | 3.9 |
| Idaho | 10 | 2,065 | 8.4 | 15.6 |
| Wyoming | 1 | D | D | 0.7 |
| Colorado | 21 | 19,130 | 28.2 | 48.4 |
| New Mexico | 4 | 378 | 11.3 | 26.5 |
| Arizona | 12 | 12,635 | 12.8 | 29.3 |
| Utah | 13 | 9,724 | 32.0 | 45.8 |
| Nevada | 5 | 1,639 | 4.6 | 5.4 |
| Pacific | 624 | 500,228 | 1,264.3 | 1,994.2 |
| Washington | 86 | 95,276 | 393.7 | 582.8 |
| Oregon | 43 | 19,428 | 50.8 | 87.1 |
| California | 490 | 385,524 | 809.7 | 1,302.6 |
| Alaska | 1 | D | D | 4.0 |
| Hawaii | 4 | D | D | 15.5 |

Note: Figures may not add because of rounding. The $9.8 billion in exports reported in this survey were made by establishments with 100 employees or more and exporting $25,000 or more in 1960. Based on a Census company survey covering 1958, these establishments account for substantially all shipments known to the manufacturer to be destined for export. The $5.6 billion in exports not reported in the survey would be accounted for chiefly by products shipped through wholesalers, independent export houses, etc., and by small manufacturers.

The exports shown in this table are in f.o.b. plant values. The total value at port is estimated at $16,898 million, and exceeds the 1960 Census Bureau's totals for manufactured foodstuffs, semimanufactures and finished manufactures by some $800 million. Figures given here include exports to Puerto Rico, bunker sales of fuel to foreign vessels, and certain other adjustments developed by the Bureau of Labor Statistics in their study of direct and indirect employment attributable to exports.

The National total figures were prepared by the Bureau of Labor Statistics, based largely on Census export data and Census "bridge" tables on export and industry classification systems.

Regional and State distributions of exports, not reported directly by manufacturers, were estimated by the Office of Business Economics and the Bureau of International Programs, U. S. Department of Commerce, in order to account for local origin of all manufacturing exports. The figures reported by manufacturers are from a survey conducted by the Census Bureau of plants with more than 100 employees included in the Annual Survey of Manufactures.

D Withheld to avoid disclosing figures for individual companies.

Source: U. S. Department of Commerce

UNITED STATES DEPARTMENT OF
# COMMERCE
Luther H. Hodges, Secretary

SAN FRANCISCO OFFICE
ROOM 419 CUSTOMHOUSE
555 BATTERY STREET
SAN FRANCISCO 11, CALIFORNIA
Telephone: YUkon 6-3111
EXT. 548

FOR IMMEDIATE RELEASE MARCH 16, 1962

## FOREIGN TRADE THROUGH PACIFIC COAST CUSTOMS DISTRICTS AND THROUGH HAWAII CUSTOMS DISTRICT

### EXPORTS

| | 1961 | | 1960 | |
|---|---|---|---|---|
| CUSTOMS DISTRICT | December | Jan.-Dec. | December | Jan.-Dec. |
| San Diego | $ 14,248,868 | $ 124,091,340 | $ 15,106,611 | $ 116,508,110 |
| Los Angeles | 51,868,441 | 577,556,839 | 52,368,664 | 550,018,381 |
| San Francisco | 71,508,803 | 732,591,430 | 79,283,453 | 721,437,373 |
| Oregon | 32,869,127 | 350,154,662 | 34,126,797 | 368,410,864 |
| Washington | 42,645,980 | 506,364,949 | 48,496,047 | 661,314,309 |
| PACIFIC COAST | $ 213,141,219 | $2,290,759,220 | $229,381,572 | $2,417,689,037 |
| Alaska | $ 2,655,889 | $ 25,173,259 | $ 1,852,714 | $ 18,746,377 |
| Hawaii | 1,269,846 | 22,743,231 | 2,468,273 | 20,993,574 |

### IMPORTS

| CUSTOMS DISTRICT | | | | |
|---|---|---|---|---|
| San Diego | $ 3,639,267 | $ 43,945,949 | $ 3,900,849 | $ 44,012,087 |
| Los Angeles | 58,918,430 | 686,675,050 | 52,945,082 | 685,431,167 |
| San Francisco | 40,805,148 | 496,770,473 | 42,318,662 | 520,342,755 |
| Oregon | 7,690,068 | 90,317,832 | 9,487,468 | 103,427,851 |
| Washington | 34,089,383 | 399,037,371 | 30,914,561 | 399,035,641 |
| PACIFIC COAST | $ 145,142,296 | $1,716,746,675 | $139,566,622 | $1,752,249,501 |
| Alaska | $ 1,646,053 | $ 5,925,779 | $ 293,062 | $ 6,448,498 |
| Hawaii | 5,113,070 | 59,272,631 | $ 4,720,986 | 46,934,201 |

NOTE: The import figures represent United States general imports (consumption and warehouse entries); the export figures represent export of U. S. merchandise, excluding re-exports. The above export and import figures cover shipments by all methods of transportation taken from preliminary code sheet tabulations.

SOURCE: Bureau of the Census, U. S. Department of Commerce.

TABLE G.--SHIPPING WEIGHT OF UNITED STATES EXPORTS AND IMPORTS ON DRY CARGO AND TANKER VESSELS THROUGH 35 PRINCIPAL UNITED STATES SEABOARD PORTS: 1959 AND 1960

(Note: Export data exclude shipments of under $500 in value. Import data exclude shipments of under $100 in value)

(Shipping weight in thousands of long tons)

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | EXPORTS | | | | | | | | |
| Total (seaboard) | 90,094 | 78,363 | +15 | 76,667 | 68,643 | +12 | 13,427 | 9,721 | +38 |
| Anacortes, Wash..... | 10 | 9 | +11 | 2 | 7 | -71 | 9 | 2 | +350 |
| Baltimore, Md....... | 4,387 | 3,729 | +18 | 4,330 | 3,709 | +17 | 56 | 19 | +195 |
| Baton Rouge, La..... | 2,851 | 2,433 | +17 | 1,673 | 1,883 | -11 | 1,178 | 550 | +114 |
| Boston, Mass........ | 829 | 658 | +26 | 795 | 658 | +21 | 34 | ....... | ......... |
| Charleston, S. C.... | 413 | 220 | +88 | 411 | 220 | +87 | 2 | ....... | ......... |
| Corpus Christi, Tex. | 1,477 | 1,329 | +11 | 792 | 1,156 | -31 | 684 | 173 | +295 |
| El Segundo, Calif... | 206 | 175 | +18 | 1 | ....... | ........ | 206 | 175 | +18 |
| Galveston, Tex...... | 4,204 | 3,870 | +9 | 3,446 | 3,461 | (*) | 758 | 409 | +85 |
| Houston, Tex........ | 6,012 | 5,603 | +7 | 4,351 | 4,263 | +2 | 1,661 | 1,340 | +24 |
| Jacksonville, Fla... | 283 | 239 | +18 | 279 | 235 | +19 | 5 | 4 | +25 |
| Long Beach, Calif... | 2,051 | 1,363 | +50 | 1,403 | 751 | +87 | 648 | 612 | +6 |
| Longview, Wash...... | 1,052 | 748 | +41 | 887 | 681 | +30 | 166 | 67 | +148 |
| Los Angeles, Calif.. | 2,692 | 2,603 | +3 | 1,207 | 812 | +49 | 1,485 | 1,792 | -17 |
| Marcus Hook, Pa..... | 180 | 128 | +41 | 18 | 12 | +50 | 162 | 117 | +38 |
| Martinez, Calif..... | 181 | 82 | +121 | 2 | 4 | -50 | 179 | 78 | +129 |
| Mobile, Ala......... | 1,583 | 1,729 | -8 | 1,333 | 1,455 | -8 | 250 | 275 | -9 |
| New Orleans, La..... | 7,322 | 5,528 | +32 | 5,768 | 4,819 | +20 | 1,554 | 710 | +119 |
| New York, N. Y.[1].... | 6,307 | 5,443 | +16 | 5,949 | 5,205 | +14 | 358 | 238 | +50 |
| Newport News, Va.... | 7,626 | 8,467 | -10 | 7,626 | 8,458 | -10 | ....... | 9 | ......... |
| Norfolk, Va......... | 15,558 | 14,037 | +11 | 15,471 | 14,014 | +10 | 87 | 23 | +278 |
| Paulsboro, N. J..... | 179 | 124 | +44 | 77 | 56 | +38 | 102 | 68 | +50 |
| Philadelphia, Pa.... | 1,930 | 1,849 | +4 | 1,862 | 1,770 | +5 | 68 | 79 | -14 |
| Port Arthur, Tex.... | 2,371 | 1,880 | +26 | 1,335 | 1,196 | +12 | 1,036 | 684 | +51 |
| Portland, Maine..... | 100 | 64 | +56 | 100 | 64 | +56 | ....... | ....... | ......... |
| Portland, Oreg...... | 2,481 | 1,918 | +29 | 2,178 | 1,752 | +24 | 302 | 166 | +82 |
| Providence, R. I.... | 99 | 78 | +27 | 99 | 78 | +27 | ....... | ....... | ......... |
| Richmond, Calif..... | 662 | 643 | +3 | 287 | 228 | +26 | 375 | 415 | -10 |
| San Francisco, Calif | 447 | 385 | +16 | 447 | 385 | +16 | (*) | (*) | ......... |
| San Juan, P. R...... | 43 | 72 | -40 | 31 | 40 | -22 | 12 | 32 | -62 |
| Savannah, Ga........ | 552 | 395 | +40 | 546 | 392 | +39 | 7 | 3 | +133 |
| Seattle, Wash....... | 1,077 | 922 | +17 | 1,001 | 843 | +19 | 75 | 79 | -5 |
| Stockton, Calif..... | 1,453 | 1,215 | +20 | 1,453 | 1,200 | +21 | ....... | 15 | ......... |
| Tacoma, Wash........ | 1,059 | 567 | +87 | 859 | 483 | +78 | 199 | 85 | +134 |
| Tampa, Fla.......... | 3,894 | 2,954 | +32 | 3,894 | 2,954 | +32 | ....... | ....... | ......... |
| Wilmington, Del..... | 68 | 28 | +143 | 68 | 23 | +196 | ....... | 5 | ......... |
| Other seaboard ports | 8,454 | 6,876 | +23 | 6,688 | 5,376 | +24 | 1,769 | 1,497 | +18 |
| | IMPORTS | | | | | | | | |
| Total (seaboard) | 165,899 | 165,623 | (*) | 73,520 | 75,243 | -2 | 92,378 | 90,381 | +2 |
| Anacortes, Wash..... | 2,031 | 2,341 | -13 | 11 | 3 | +267 | 2,018 | 2,338 | -14 |
| Baltimore, Md....... | 17,951 | 16,905 | +6 | 14,839 | 14,034 | +6 | 3,112 | 2,872 | +8 |
| Baton Rouge, La..... | 3,427 | 3,505 | -2 | 3,289 | 3,383 | -3 | 138 | 121 | +14 |
| Boston, Mass........ | 4,938 | 5,350 | -8 | 1,333 | 1,522 | -12 | 3,605 | 3,828 | -6 |
| Charleston, S.C..... | 1,157 | 1,350 | -14 | 407 | 490 | -17 | 750 | 859 | -13 |
| Corpus Christi, Tex. | 3,391 | 3,812 | -11 | 3,252 | 3,238 | (*) | 139 | 574 | -76 |
| El Segundo, Calif... | 1,167 | 613 | +90 | 2 | ....... | ........ | 1,165 | 613 | +90 |
| Galveston, Tex...... | 260 | 148 | +76 | 260 | 129 | +102 | (*) | 19 | ......... |
| Houston, Tex........ | 2,603 | 2,967 | -12 | 1,380 | 1,613 | -14 | 1,222 | 1,355 | -10 |
| Jacksonville, Fla... | 1,833 | 1,959 | -6 | 933 | 1,156 | -19 | 900 | 803 | +12 |
| Long Beach, Calif... | 2,839 | 2,814 | +1 | 831 | 827 | (*) | 2,007 | 1,987 | +1 |

See footnotes at end of table.

TABLE G.--SHIPPING WEIGHT OF UNITED STATES EXPORTS AND IMPORTS ON DRY CARGO AND TANKER VESSELS THROUGH 35 PRINCIPAL UNITED STATES SEABOARD PORTS: 1959 AND 1960--Con.

(Shipping weight in thousands of long tons)

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | IMPORTS--Con. | | | | | | | | |
| Longview, Wash....... | 131 | 175 | -25 | 129 | 174 | -26 | 2 | 1 | +100 |
| Los Angeles, Calif... | 4,487 | 3,406 | +32 | 1,069 | 1,264 | -15 | 3,418 | 2,142 | +60 |
| Marcus Hook, Pa...... | 4,949 | 5,139 | -4 | (*) | ....... | ....... | 4,949 | 5,139 | -4 |
| Martinez, Calif...... | 1,456 | 1,112 | +31 | ....... | ....... | ....... | 1,456 | 1,112 | +31 |
| Mobile, Ala.......... | 5,751 | 6,947 | -17 | 5,236 | 6,605 | -21 | 515 | 343 | +50 |
| New Orleans, La...... | 3,883 | 3,963 | -2 | 3,068 | 3,413 | -10 | 815 | 550 | +48 |
| New York, N. Y.[1]..... | 33,117 | 34,870 | -5 | 8,799 | 9,568 | -8 | 24,318 | 25,302 | -4 |
| Newport News, Va..... | 3,677 | 3,631 | +1 | 1,548 | 1,534 | +1 | 2,130 | 2,097 | +2 |
| Norfolk, Va.......... | 2,402 | 2,298 | +5 | 883 | 1,150 | -23 | 1,519 | 1,148 | +32 |
| Paulsboro, N. J...... | 6,565 | 6,007 | +9 | 38 | 18 | +111 | 6,527 | 5,989 | +9 |
| Philadelphia, Pa..... | 18,492 | 21,157 | -13 | 8,417 | 10,658 | -21 | 10,075 | 10,499 | -4 |
| Port Arthur, Tex..... | 99 | 52 | +90 | ....... | (*) | ....... | 99 | 52 | +90 |
| Portland, Maine...... | 566 | 594 | -5 | 91 | 109 | -17 | 475 | 485 | -2 |
| Portland, Oreg....... | 486 | 465 | +5 | 435 | 397 | +10 | 51 | 68 | -25 |
| Providence, R. I..... | 1,031 | 1,180 | -13 | 92 | 102 | -10 | 939 | 1,078 | -13 |
| Richmond, Calif...... | 2,565 | 1,870 | +37 | 62 | 124 | -50 | 2,503 | 1,746 | +43 |
| San Francisco, Calif. | 931 | 1,192 | -22 | 845 | 858 | -2 | 87 | 334 | -74 |
| San Juan, P. R....... | 1,611 | 1,506 | +7 | 443 | 425 | +4 | 1,168 | 1,081 | +8 |
| Savannah, Ga......... | 1,710 | 1,753 | -2 | 912 | 962 | -5 | 798 | 791 | +1 |
| Seattle, Wash........ | 844 | 970 | -13 | 799 | 929 | -14 | 44 | 41 | +7 |
| Stockton, Calif...... | 93 | 78 | +19 | 70 | 66 | +6 | 23 | 12 | +92 |
| Tacoma, Wash......... | 501 | 364 | +38 | 489 | 294 | +66 | 12 | 70 | -83 |
| Tampa, Fla........... | 848 | 1,107 | -23 | 708 | 782 | -9 | 140 | 326 | -57 |
| Wilmington, Del...... | 2,874 | 3,119 | -8 | 330 | 375 | -12 | 2,544 | 2,744 | -7 |
| Other seaboard ports | 25,234 | 20,904 | +21 | 12,520 | 9,041 | +38 | 12,716 | 11,862 | +7 |

*Less than 500 long tons or less than 0.5 percent.
[1] Includes Newark, N.J., and Perth Amboy, N. J.
Note: Totals represent sums of unrounded figures, hence may vary slightly from sums of rounded amounts.
Source: Bureau of the Census, Foreign Trade Division Summary Report FT 985, United States Waterborne Foreign Trade Statistics.

TABLE I.--VALUE OF UNITED STATES EXPORTS AND IMPORTS ON DRY CARGO AND TANKER VESSELS THROUGH 35 PRINCIPAL UNITED STATES SEABOARD PORTS: 1959 AND 1960

(Note: Export shipments valued at $100-$499 were estimated by sampling. The effect of sampling on the figures which include estimates of the low-value shipments is less than three percent. See explanation in section on "Coverage").

(Value in millions of dollars)

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | | | | | EXPORTS | | | | |
| Total (seaboard)..... | 12,764 | 10,208 | +25 | 11,945 | 9,704 | +23 | 819 | 504 | +63 |
| Anacortes, Wash......... | 1 | 3 | -67 | 1 | 3 | -67 | (*) | (*) | ........ |
| Baltimore, Md........... | 580 | 432 | +34 | 577 | 430 | +34 | 4 | 1 | +300 |
| Baton Rouge, La......... | 196 | 160 | +23 | 120 | 132 | -9 | 76 | 29 | +162 |
| Boston, Mass............ | 116 | 87 | +33 | 114 | 87 | +31 | 2 | ...... | ........ |
| Charleston, S.C......... | 116 | 87 | +33 | 115 | 87 | +32 | (*) | ...... | ........ |
| Corpus Christi, Tex..... | 141 | 96 | +47 | 105 | 87 | +21 | 37 | 9 | +311 |
| El Segundo, Calif....... | 2 | 2 | ...... | (*) | ...... | ...... | 2 | 2 | ........ |
| Galveston, Tex.......... | 545 | 356 | +53 | 499 | 331 | +51 | 46 | 26 | +77 |
| Houston, Tex............ | 965 | 805 | +20 | 834 | 712 | +17 | 131 | 93 | +41 |
| Jacksonville, Fla....... | 38 | 30 | +27 | 37 | 29 | +28 | 1 | 1 | ........ |
| Long Beach, Calif....... | 176 | 99 | +78 | 165 | 88 | +88 | 11 | 11 | ........ |
| Longview, Wash.......... | 75 | 49 | +53 | 65 | 45 | +44 | 9 | 4 | +125 |
| Los Angeles, Calif...... | 264 | 196 | +35 | 234 | 166 | +41 | 31 | 30 | +3 |
| Marcus Hook, Pa......... | 11 | 7 | +57 | 1 | 1 | ...... | 10 | 7 | +43 |
| Martinez, Calif......... | 4 | 2 | +100 | (*) | (*) | ...... | 4 | 2 | +100 |
| Mobile, Ala............. | 144 | 147 | -2 | 126 | 126 | ...... | 18 | 21 | -14 |
| New Orleans, La......... | 1,226 | 870 | +41 | 1,070 | 794 | +35 | 156 | 77 | +103 |
| New York, N.Y.[1]......... | 4,795 | 4,083 | +17 | 4,752 | 4,051 | +17 | 43 | 32 | +34 |
| Newport News, Va........ | 345 | 313 | +10 | 345 | 312 | +11 | ...... | (*) | ....... |
| Norfolk, Va............. | 423 | 352 | +20 | 418 | 351 | +19 | 5 | 1 | +400 |
| Paulsboro, N.J.......... | 20 | 14 | +43 | 10 | 8 | +25 | 10 | 6 | +67 |
| Philadelphia, Pa........ | 337 | 268 | +26 | 327 | 258 | +27 | 10 | 11 | -9 |
| Port Arthur, Tex........ | 142 | 110 | +29 | 81 | 74 | +9 | 61 | 36 | +69 |
| Portland, Maine......... | 4 | 4 | ...... | 4 | 4 | ...... | ...... | ...... | ........ |
| Portland, Oreg.......... | 200 | 153 | +31 | 183 | 143 | +28 | 17 | 10 | +70 |
| Providence, R. I........ | 5 | 5 | ...... | 5 | 5 | ...... | ...... | ...... | ........ |
| Richmond, Calif......... | 45 | 33 | +36 | 31 | 21 | +48 | 14 | 12 | +17 |
| San Francisco, Calif.... | 292 | 221 | +32 | 292 | 221 | +32 | (*) | (*) | ........ |
| San Juan, P.R........... | 5 | 7 | -29 | 5 | 6 | -17 | (*) | 1 | ........ |
| Savannah, Ga............ | 123 | 84 | +46 | 122 | 84 | +45 | 1 | (*) | ........ |
| Seattle, Wash........... | 105 | 81 | +30 | 100 | 76 | +32 | 4 | 5 | -20 |
| Stockton, Calif......... | 95 | 74 | +28 | 95 | 73 | +30 | ...... | (*) | ........ |
| Tacoma, Wash............ | 106 | 45 | +136 | 96 | 42 | +129 | 10 | 3 | +233 |
| Tampa, Fla.............. | 75 | 62 | +21 | 75 | 62 | +21 | ...... | ...... | ........ |
| Wilmington, Del......... | 1 | 3 | -67 | 1 | 2 | -50 | ...... | 1 | ........ |
| Other seaboard ports.... | 1,049 | 870 | +21 | 942 | 795 | +18 | 107 | 74 | +45 |
| | | | | | IMPORTS | | | | |
| Total (seaboard)..... | 10,683 | 11,133 | -4 | 9,197 | 9,659 | -5 | 1,486 | 1,474 | +1 |
| Anacortes, Wash......... | 34 | 42 | -19 | (*) | (*) | ...... | 34 | 42 | -19 |
| Baltimore, Md........... | 618 | 621 | (*) | 573 | 581 | -1 | 45 | 40 | +13 |
| Baton Rouge, La......... | 42 | 36 | +17 | 40 | 34 | +18 | 2 | 3 | -33 |
| Boston, Mass............ | 450 | 488 | -8 | 401 | 432 | -7 | 49 | 56 | -12 |
| Charleston, S. C........ | 118 | 113 | +4 | 108 | 101 | +7 | 10 | 12 | -17 |
| Corpus Christi, Tex..... | 53 | 59 | -10 | 52 | 50 | +4 | 2 | 9 | -78 |
| El Segundo, Calif....... | 20 | 11 | +82 | 1 | ...... | ...... | 19 | 11 | +73 |
| Galveston, Tex.......... | 34 | 29 | +17 | 34 | 27 | +26 | (*) | 2 | ........ |
| Houston, Tex............ | 353 | 376 | -6 | 334 | 356 | -6 | 20 | 21 | -5 |

**See footnotes at end of table.**

TABLE I.--VALUE OF UNITED STATES EXPORTS AND IMPORTS ON DRY CARGO AND TANKER VESSELS THROUGH 35 PRINCIPAL UNITED STATES SEABOARD PORTS: 1959 AND 1960--Con.

(Value in millions of dollars)

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | IMPORTS--Con. | | | | | | | | |
| Jacksonville, Fla...... | 113 | 122 | -7 | 98 | 109 | -10 | 15 | 13 | +15 |
| Long Beach, Calif...... | 206 | 194 | +6 | 174 | 161 | +8 | 32 | 33 | -3 |
| Longview, Wash......... | 27 | 39 | -31 | 27 | 39 | -31 | (*) | (*) | ........ |
| Los Angeles, Calif..... | 413 | 482 | -14 | 358 | 444 | -19 | 55 | 38 | +45 |
| Marcus Hook, Pa........ | 92 | 98 | -6 | (*) | ....... | ....... | 92 | 98 | -6 |
| Martinez, Calif........ | 17 | 15 | +13 | ....... | ....... | ....... | 17 | 15 | +13 |
| Mobile, Ala............ | 108 | 126 | -14 | 99 | 119 | -17 | 9 | 8 | +13 |
| New Orleans, La........ | 577 | 610 | -5 | 564 | 599 | -6 | 13 | 12 | +8 |
| New York, N.Y.[1]........ | 4,585 | 4,817 | -5 | 4,182 | 4,412 | -5 | 402 | 405 | -1 |
| Newport News, Va....... | 101 | 90 | +12 | 69 | 59 | +17 | 32 | 31 | +3 |
| Norfolk, Va............ | 159 | 189 | -16 | 135 | 170 | -21 | 24 | 19 | +26 |
| Paulsboro, N.J......... | 114 | 115 | -1 | 4 | 5 | -20 | 110 | 111 | -1 |
| Philadelphia, Pa....... | 719 | 776 | -7 | 547 | 596 | -8 | 172 | 180 | -4 |
| Port Arthur, Tex....... | 1 | 1 | ....... | ....... | (*) | ....... | 1 | 1 | ........ |
| Portland, Maine........ | 13 | 15 | -13 | 6 | 9 | -33 | 7 | 7 | ........ |
| Portland, Oreg......... | 74 | 75 | -1 | 73 | 73 | ....... | 2 | 2 | ........ |
| Providence, R.I........ | 16 | 19 | -16 | 4 | 4 | ....... | 13 | 15 | -13 |
| Richmond, Calif........ | 45 | 42 | +7 | 10 | 16 | -37 | 35 | 26 | +35 |
| San Francisco, Calif... | 399 | 414 | -4 | 398 | 410 | -3 | 1 | 4 | -75 |
| San Juan, P. R......... | 83 | 77 | +8 | 67 | 61 | +10 | 16 | 16 | ........ |
| Savannah, Ga........... | 100 | 98 | +2 | 88 | 86 | +2 | 11 | 12 | -8 |
| Seattle, Wash.......... | 98 | 112 | -12 | 96 | 110 | -13 | 2 | 2 | ........ |
| Stockton, Calif........ | 18 | 12 | +50 | 17 | 12 | +42 | (*) | (*) | ........ |
| Tacoma, Wash........... | 39 | 36 | +8 | 38 | 34 | +12 | (*) | 2 | ........ |
| Tampa, Fla............. | 48 | 53 | -9 | 46 | 48 | -4 | 2 | 5 | -60 |
| Wilmington, Del........ | 57 | 62 | -8 | 21 | 24 | -12 | 36 | 38 | -5 |
| Other seaboard ports... | 739 | 672 | +10 | 533 | 480 | +11 | 206 | 192 | +7 |

*Less than $500,000 or less than 0.5 percent.

[1]Includes Newark, N.J., and Perth Amboy, N.J.

Note: Totals represent sums of unrounded figures, hence may vary slightly from sums of rounded amounts.

Source: Bureau of the Census, Foreign Trade Division Summary Report FT 985, United States Waterborne Foreign Trade Statistics.

TABLE K.--SHIPPING WEIGHT OF MERCHANDISE LADEN ON AND UNLADEN FROM VESSELS AT PRINCIPAL UNITED STATES PORTS DURING THE IN-TRANSIT MOVEMENT FROM ONE FOREIGN COUNTRY TO ANOTHER: 1959 AND 1960

(Note: Data cover all inbound and outbound shipments of $100 or more in value.)

(Shipping weight in thousands of long tons)

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | Outbound | | | | | | | | |
| Grand total........ | 663 | 736 | -10 | 641 | 722 | -11 | 21 | 14 | +50 |
| Seaboard, total....... | 654 | 727 | -10 | 632 | 718 | -12 | 21 | 10 | +110 |
| Anacortes, Wash.......... | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Baltimore, Md........... | 4 | 2 | +100 | 4 | 2 | +100 | ...... | ...... | ........ |
| Baton Rouge, La.......... | 24 | 2 | +1,100 | 5 | 2 | +150 | 19 | ...... | ........ |
| Boston, Mass............ | 2 | 1 | +100 | 2 | 1 | +100 | ...... | ...... | ........ |
| Charleston, S.C.......... | 5 | 2 | +150 | 5 | 2 | +150 | ...... | ...... | ........ |
| Corpus Christi, Tex...... | ....... | (*) | ....... | ....... | (*) | ....... | ...... | ...... | ........ |
| El Segundo, Calif........ | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Galveston, Tex........... | 3 | 3 | ....... | 3 | 3 | ....... | ...... | ...... | ........ |
| Houston, Tex............ | 15 | 13 | +15 | 14 | 13 | +8 | 1 | 1 | ........ |
| Jacksonville, Fla........ | (*) | 1 | ....... | (*) | 1 | ....... | ...... | ...... | ........ |
| Long Beach, Calif........ | 3 | 5 | -40 | 3 | 5 | -40 | ...... | ...... | ........ |
| Longview, Wash........... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Los Angeles, Calif....... | 11 | 13 | -15 | 11 | 13 | -15 | ...... | ...... | ........ |
| Marcus Hook, Pa.......... | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Martinez, Calif.......... | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Mobile, Ala.............. | 2 | (*) | ....... | 2 | (*) | ....... | ...... | ...... | ........ |
| New Orleans, La.......... | 46 | 43 | +7 | 46 | 43 | +7 | ...... | ...... | ........ |
| New York, N.Y.[1] .......... | 274 | 258 | +6 | 273 | 249 | +10 | 1 | 9 | -89 |
| Newport News, Va......... | 5 | 1 | +400 | 5 | 1 | +400 | ...... | ...... | ........ |
| Norfolk, Va............. | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Paulsboro, N.J........... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Philadelphia, Pa......... | 17 | 8 | +113 | 17 | 8 | +113 | (*) | (*) | ........ |
| Port Arthur, Tex......... | ....... | (*) | ....... | ....... | (*) | ....... | ...... | ...... | ........ |
| Portland, Maine.......... | 6 | ....... | ....... | 6 | ...... | ....... | ...... | ...... | ........ |
| Portland, Oreg........... | 5 | 16 | -69 | 5 | 16 | -69 | ...... | ...... | ........ |
| Providence, R.I.......... | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Richmond, Calif.......... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| San Francisco, Calif..... | 8 | 8 | ....... | 8 | 8 | ....... | ...... | ...... | ........ |
| San Juan, P.R............ | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Savannah, Ga............. | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Seattle, Wash............ | 24 | 11 | +118 | 24 | 11 | +118 | ...... | ...... | ........ |
| Stockton, Calif.......... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Tacoma, Wash............. | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Tampa, Fla............... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Wilmington, Del.......... | ....... | ....... | ....... | ...... | ...... | ....... | ...... | ...... | ........ |
| Other seaboard ports..... | 201 | 340 | -41 | 200 | 340 | -41 | 1 | ...... | ........ |
| Great Lakes, total.... | 9 | 9 | ....... | 9 | 5 | +80 | ...... | 4 | ........ |
| | Inbound | | | | | | | | |
| Grand total........ | 10,728 | 11,973 | -10 | 550 | 673 | -18 | 10,177 | 11,300 | -10 |
| Seaboard, total....... | 10,726 | 11,949 | -10 | 548 | 649 | -16 | 10,177 | 11,300 | -10 |
| Anacortes, Wash.......... | ....... | ....... | ....... | ....... | ...... | ....... | ...... | ...... | ........ |
| Baltimore, Md........... | 50 | 88 | -43 | 50 | 88 | -43 | ...... | ...... | ........ |
| Baton Rouge, La.......... | ....... | 19 | ....... | ....... | ...... | ....... | ...... | 19 | ........ |
| Boston, Mass............ | 2 | 6 | -67 | 2 | 6 | -67 | ...... | ...... | ........ |

See footnotes at end of table.

TABLE K.--SHIPPING WEIGHT OF MERCHANDISE LADEN ON AND UNLADEN FROM VESSELS AT PRINCIPAL UNITED STATES PORTS DURING THE IN-TRANSIT MOVEMENT FROM ONE FOREIGN COUNTRY TO ANOTHER: 1959 AND 1960--Con.

(Shipping weight in thousands of long tons)

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | Inbound--Con. | | | | | | | | |
| Charleston, S.C.......... | (*) | 1 | ....... | (*) | 1 | ....... | ...... | ...... | ........ |
| Corpus Christi, Tex...... | 7 | 3 | +133 | 7 | 3 | +133 | ...... | ...... | ........ |
| El Segundo, Calif........ | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Galveston, Tex........... | 1 | 1 | ....... | 1 | 1 | ....... | ...... | ...... | ........ |
| Houston, Tex............. | 6 | 6 | ....... | 6 | 6 | ....... | ...... | ...... | ........ |
| Jacksonville, Fla........ | (*) | 1 | ....... | (*) | 1 | ....... | ...... | ...... | ........ |
| Long Beach, Calif........ | 2 | 1 | +100 | 2 | 1 | +100 | ...... | ...... | ........ |
| Longview, Wash........... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Los Angeles, Calif....... | 13 | 13 | ....... | 13 | 13 | ....... | (*) | (*) | ........ |
| Marcus Hook, Pa.......... | 1 | ....... | ....... | ....... | ....... | ....... | 1 | ...... | ........ |
| Martinez, Calif.......... | (*) | (*) | ....... | ....... | ....... | ....... | (*) | (*) | ........ |
| Mobile, Ala.............. | 6 | 6 | ....... | 6 | 6 | ....... | ...... | ...... | ........ |
| New Orleans, La.......... | 53 | 58 | -9 | 53 | 58 | -9 | ...... | ...... | ........ |
| New York, N.Y.[1]......... | 335 | 361 | -7 | 328 | 350 | -6 | 7 | 11 | -36 |
| Newport News, Va......... | 2 | 10 | -80 | 2 | 10 | -80 | ...... | ...... | ........ |
| Norfolk, Va.............. | (*) | 1 | ....... | (*) | 1 | ....... | ...... | ...... | ........ |
| Paulsboro, N.J........... | ....... | 18 | ....... | ....... | (*) | ....... | ...... | 18 | ........ |
| Philadelphia, Pa......... | 16 | 33 | -52 | 16 | 33 | -52 | (*) | (*) | ........ |
| Port Arthur, Tex......... | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Portland, Maine.......... | 10,164 | 11,203 | -9 | 7 | 9 | -22 | 10,157 | 11,193 | -9 |
| Portland, Oreg........... | 5 | 5 | ....... | 5 | 5 | ....... | ...... | ...... | ........ |
| Providence, R.I.......... | (*) | 1 | ....... | (*) | (*) | ....... | ...... | 1 | ........ |
| Richmond, Calif.......... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| San Franciso, Calif...... | 7 | 9 | -22 | 7 | 9 | -22 | ...... | (*) | ........ |
| San Juan, P.R............ | 3 | 6 | -50 | 3 | 5 | -40 | ...... | 1 | ........ |
| Savannah, Ga............. | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Seattle, Wash............ | 29 | 58 | -50 | 29 | 23 | +26 | ...... | 35 | ........ |
| Stockton, Calif.......... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Tacoma, Wash............. | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Tampa, Fla............... | (*) | (*) | ....... | (*) | (*) | ....... | ...... | ...... | ........ |
| Wilmington, Del.......... | ....... | ....... | ....... | ....... | ....... | ....... | ...... | ...... | ........ |
| Other seaboard ports..... | 22 | 40 | -45 | 9 | 19 | -53 | 13 | 22 | -41 |
| Great Lakes, total.... | 2 | 24 | -92 | 2 | 24 | -92 | ...... | ...... | ........ |

*Less than 500 long tons

[1]Includes Newark, N.J., and Perth Amboy, N.J.

Note: Totals represent sums of unrounded figures, hence may vary slightly from sums of rounded amounts.

Source: Bureau of the Census, Foreign Trade Division Summary Report FT 985, United States Waterborne Foreign Trade Statistics.

TABLE L.--VALUE OF MERCHANDISE LADEN AND UNLADEN FROM VESSELS AT PRINCIPAL UNITED STATES PORTS DURING THE IN-TRANSIT MOVEMENT FROM ONE FOREIGN COUNTRY TO ANOTHER: 1959 AND 1960

(Note: Data cover all inbound and outbound shipments of $100 or more in value)

(Value in millions of dollars)

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | | | | Outbound | | | | | |
| Grand total...... | 412.1 | 408.9 | +1 | 411.4 | 408.3 | +1 | 0.7 | 0.6 | +17 |
| Seaboard, total..... | 411.1 | 407.9 | +1 | 410.4 | 407.6 | +1 | 0.7 | 0.3 | +133 |
| Anacortes, Wash........ | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ........ |
| Baltimore, Md.......... | 0.6 | 0.6 | ....... | 0.6 | 0.6 | ....... | ....... | ....... | ........ |
| Baton Rouge, La........ | 0.4 | (*) | ....... | 0.1 | (*) | ....... | 0.3 | ....... | ........ |
| Boston, Mass........... | 0.6 | 0.2 | +200 | 0.6 | 0.2 | +200 | ....... | ....... | ........ |
| Charleston, S.C........ | 4.2 | 2.6 | +62 | 4.2 | 2.6 | +62 | ....... | ....... | ........ |
| Corpus Christi, Tex.... | ....... | 0.1 | ....... | ....... | 0.1 | ....... | ....... | ....... | ........ |
| El Segundo, ~~Tex.~~ Calif.... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ........ |
| Galveston, Tex......... | 0.9 | 1.4 | -36 | 0.9 | 1.4 | -36 | ....... | ....... | ........ |
| Houston, Tex........... | 4.7 | 4.2 | +12 | 4.4 | 4.1 | +7 | 0.3 | 0.1 | +200 |
| Jacksonville, Fla...... | 0.3 | 0.3 | ....... | 0.3 | 0.3 | ....... | ....... | ....... | ........ |
| Long Beach, Calif...... | 2.4 | 3.7 | -35 | 2.4 | 3.7 | -35 | ....... | ....... | ........ |
| Longview, Wash......... | (*) | (*) | ....... | (*) | (*) | ....... | ....... | ....... | ........ |
| Los Angeles, Calif..... | 11.1 | 11.6 | -4 | 11.1 | 11.6 | -4 | ....... | ....... | ........ |
| Marcus Hook, Pa........ | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ........ |
| Martinez, Calif........ | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ........ |
| Mobile, Ala............ | 0.3 | (*) | ....... | 0.3 | (*) | ....... | ....... | ....... | ........ |
| New Orleans, La........ | 15.6 | 15.5 | +1 | 15.6 | 15.5 | +1 | ....... | ....... | ........ |
| New York, N.Y.[1]........ | 258.6 | 218.3 | +18 | 258.5 | 218.2 | +18 | 0.1 | 0.1 | ........ |
| Newport News, Va....... | 2.7 | 0.8 | +238 | 2.7 | 0.8 | +238 | ....... | ....... | ........ |
| Norfolk, Va............ | 0.3 | 0.2 | +50 | 0.3 | 0.2 | +50 | ....... | ....... | ........ |
| Paulsboro, N.J......... | 0.1 | (*) | ....... | 0.1 | (*) | ....... | ....... | ....... | ........ |
| Philadelphia, Pa....... | 6.5 | 1.8 | +261 | 6.5 | 1.8 | +261 | (*) | (*) | ........ |
| Port Arthur, Tex....... | ....... | (*) | ....... | ....... | (*) | ....... | ....... | ....... | ........ |
| Portland, Maine........ | 0.6 | ....... | ....... | 0.6 | ....... | ....... | ....... | ....... | ........ |
| Portland, Oreg......... | 0.9 | 0.5 | +80 | 0.9 | 0.5 | +80 | ....... | ....... | ........ |
| Providence, R.I........ | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ........ |
| Richmond, Calif........ | 0.1 | (*) | ....... | 0.1 | (*) | ....... | ....... | ....... | ........ |
| San Francisco, Calif... | 9.6 | 6.4 | +50 | 9.6 | 6.4 | +50 | ....... | ....... | ........ |
| San Juan, P.R.......... | 0.2 | 0.2 | ....... | 0.2 | 0.2 | ....... | ....... | ....... | ........ |
| Savannah, Ga........... | (*) | 0.2 | ....... | (*) | 0.2 | ....... | ....... | ....... | ........ |
| Seattle, Wash.......... | 3.4 | 1.1 | +209 | 3.4 | 1.1 | +209 | ....... | ....... | ........ |
| Stockton, Calif........ | (*) | 0.1 | ....... | (*) | 0.1 | ....... | ....... | ....... | ........ |
| Tacoma, Wash........... | (*) | 0.2 | ....... | (*) | 0.2 | ....... | ....... | ....... | ........ |
| Tampa, Fla............. | 0.2 | 0.1 | +100 | 0.2 | 0.1 | +100 | ....... | ....... | ........ |
| Wilmington, Del........ | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ........ |
| Other seaboard ports... | 86.8 | 137.8 | -37 | 86.8 | 137.7 | -37 | ....... | 0.1 | ........ |
| Great Lakes, total.. | 1.0 | 1.0 | ....... | 1.0 | 0.7 | +43 | ....... | 0.3 | ........ |
| | | | | Inbound | | | | | |
| Grand total...... | 455.9 | 500.0 | -9 | 231.0 | 238.6 | -3 | 224.9 | 261.4 | -14 |
| Seaboard, total..... | 455.3 | 497.4 | -8 | 230.4 | 236.0 | -2 | 224.9 | 261.4 | -14 |
| Anacortes, Wash........ | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ........ |
| Baltimore, Md.......... | 3.2 | 4.2 | -24 | 3.2 | 4.2 | -24 | ....... | ....... | ........ |
| Baton Rouge, La........ | ....... | 0.3 | ....... | ....... | ....... | ....... | ....... | 0.3 | ........ |
| Boston, Mass........... | 0.8 | 3.7 | -78 | 0.8 | 3.7 | -78 | ....... | ....... | ........ |

See footnotes at end of table.

TABLE L.--VALUE OF MERCHANDISE LADEN AND UNLADEN FROM VESSELS AT PRINCIPAL UNITED STATES PORTS DURING THE IN-TRANSIT MOVEMENT FROM ONE FOREIGN COUNTRY TO ANOTHER: 1959 AND 1960--Con.

| United States port | Total | | | Dry cargo vessels | | | Tanker vessels | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| | Inbound--Con. | | | | | | | | |
| Charleston, S.C. | (*) | 1.6 | ....... | (*) | 1.6 | ....... | ....... | ....... | ....... |
| Corpus Christi, Tex. | 0.1 | 0.1 | ....... | 0.1 | 0.1 | ....... | ....... | ....... | ....... |
| El Segundo, ~~Tex.~~ Calif. | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... |
| Galveston, Tex. | 0.3 | 0.6 | -50 | 0.3 | 0.6 | -50 | ....... | ....... | ....... |
| Houston, Tex. | 3.6 | 4.4 | -18 | 3.6 | 4.4 | -18 | (*) | ....... | ....... |
| Jacksonville, Fla. | (*) | (*) | ....... | (*) | (*) | ....... | ....... | ....... | ....... |
| Long Beach, Calif. | 1.7 | 0.9 | +89 | 1.7 | 0.9 | +89 | ....... | ....... | ....... |
| Longview, Wash. | (*) | (*) | ....... | (*) | (*) | ....... | ....... | ....... | ....... |
| Los Angeles, Calif. | 13.3 | 13.3 | ....... | 13.3 | 13.3 | ....... | (*) | (*) | ....... |
| Marcus Hook, Pa. | (*) | ....... | ....... | ....... | ....... | ....... | (*) | ....... | ....... |
| Martinez, Calif. | (*) | (*) | ....... | ....... | ....... | ....... | (*) | (*) | ....... |
| Mobile, Ala. | 0.9 | 0.6 | +50 | 0.9 | 0.6 | +50 | ....... | ....... | ....... |
| New Orleans, La. | 17.2 | 18.0 | -4 | 17.2 | 18.0 | -4 | (*) | ....... | ....... |
| New York, N.Y.[1] | 165.8 | 165.2 | (*) | 165.7 | 165.1 | (*) | 0.1 | 0.1 | ....... |
| Newport News, Va. | 0.5 | 0.1 | +400 | 0.5 | 0.1 | +400 | ....... | ....... | ....... |
| Norfolk, Va. | 0.5 | 0.6 | -17 | 0.5 | 0.6 | -17 | ....... | ....... | ....... |
| Paulsboro, N.J. | ....... | 0.4 | ....... | ....... | (*) | ....... | ....... | 0.4 | ....... |
| Philadelphia, Pa. | 4.5 | 2.1 | +114 | 4.5 | 2.1 | +114 | (*) | (*) | ....... |
| Port Arthur, Tex. | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... |
| Portland, Maine | 224.5 | 259.6 | -14 | 0.1 | 0.2 | -50 | 224.4 | 259.4 | -13 |
| Portland, Oreg. | 1.0 | 0.5 | +100 | 1.0 | 0.5 | +100 | ....... | ....... | ....... |
| Providence, R.I. | (*) | (*) | ....... | (*) | (*) | ....... | ....... | (*) | ....... |
| Richmond, Calif. | (*) | 0.1 | ....... | (*) | 0.1 | ....... | ....... | ....... | ....... |
| San Francisco, Calif. | 6.4 | 5.8 | +10 | 6.4 | 5.8 | +10 | ....... | (*) | ....... |
| San Juan, P.R. | 0.4 | 0.7 | -43 | 0.4 | 0.7 | -43 | ....... | (*) | ....... |
| Savannah, Ga. | 0.1 | 0.1 | ....... | 0.1 | 0.1 | ....... | ....... | ....... | ....... |
| Seattle, Wash. | 6.5 | 5.8 | +12 | 6.5 | 5.0 | +30 | ....... | 0.8 | ....... |
| Stockton, Calif. | (*) | (*) | ....... | (*) | (*) | ....... | ....... | ....... | ....... |
| Tacoma, Wash. | 0.1 | 0.2 | -50 | 0.1 | 0.2 | -50 | ....... | ....... | ....... |
| Tampa, Fla. | (*) | 0.4 | ....... | (*) | 0.4 | ....... | ....... | ....... | ....... |
| Wilmington, Del. | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... |
| Other seaboard ports | 3.9 | 8.1 | -52 | 3.5 | 7.7 | -55 | 0.4 | 0.4 | ....... |
| Great Lakes, total | 0.6 | 2.6 | -77 | 0.6 | 2.6 | -77 | ....... | ....... | ....... |

*Less than $50,000 or less than 0.5 percent

[1] Includes Newark, N. J., and Perth Amboy, N. J.

Note: Totals represent sums of unrounded figures, hence may vary slightly from sums of rounded amounts.

Source: Bureau of the Census, Foreign Trade Division Summary Report FT 985, United States Waterborne Foreign Trade Statistics.

TABLE M.--SHIPPING WEIGHT OF DEPARTMENT OF DEFENSE CONTROLLED CARGO AND NON-DEPARTMENT OF DEFENSE "SPECIAL CATEGORY" COMMODITIES EXPORTED FROM PRINCIPAL UNITED STATES PORTS: 1959 AND 1960

(Note: Data exclude non-Department of Defense shipments of "special category" commodities under $500 in value.)

(Shipping weight in thousands of long tons)

| United States port | Total | | Dry cargo vessels | | Tanker vessels | |
|---|---|---|---|---|---|---|
| | 1960 | 1959 | 1960 | 1959 | 1960 | 1959 |
| Grand total......... | 1,277 | 1,637 | 504 | 540 | 773 | 1,097 |
| Seaboard, total........ | 1,266 | 1,619 | 498 | 535 | 769 | 1,084 |
| Anacortes, Wash........... | 2 | 4 | 2 | 3 | ........... | 1 |
| Baltimore, Md............ | 7 | 1 | 7 | 1 | ........... | ........... |
| Baton Rouge, La.......... | 172 | 405 | 6 | 25 | 166 | 380 |
| Boston, Mass............. | 2 | 1 | 2 | 1 | ........... | ........... |
| Charleston, S.C........... | 2 | 1 | 2 | 1 | ........... | ........... |
| Corpus Christi, Tex....... | 68 | 52 | (*) | ........... | 67 | 52 |
| El Segundo, ~~Tex.~~ Calif.:..... | (*) | 1 | (*) | ........... | ........... | 1 |
| Galveston, Tex........... | (*) | (*) | (*) | (*) | ........... | ........... |
| Houston, Tex.............. | 244 | 377 | 4 | 16 | 240 | 362 |
| Jacksonville, Fla......... | (*) | ........... | (*) | ........... | ........... | ........... |
| Long Beach, Calif......... | 10 | 16 | 10 | 15 | ........... | 1 |
| Longview, Wash............ | 1 | (*) | 1 | (*) | ........... | ........... |
| Los Angeles, Calif........ | 81 | 52 | 4 | 4 | 77 | 48 |
| Marcus Hook, Pa........... | 13 | 10 | ........... | ........... | 13 | 10 |
| Martinez, Calif........... | ........... | ........... | ........... | ........... | ........... | ........... |
| Mobile, Ala............... | 17 | 9 | 17 | 9 | (*) | ........... |
| New Orleans, La........... | 113 | 102 | 110 | 102 | 3 | ........... |
| New York, N.Y.[1]........... | 77 | 110 | 77 | 84 | (*) | 27 |
| Newport News, Va.......... | 1 | (*) | 1 | (*) | ........... | (*) |
| Norfolk, Va............... | 18 | 31 | 18 | 31 | ........... | ........... |
| Paulsboro, N.J............ | 1 | 2 | 1 | 1 | (*) | 1 |
| Philadelphia, Pa.......... | 26 | 31 | 26 | 31 | (*) | (*) |
| Port Arthur, Tex.......... | 43 | 18 | 5 | 3 | 38 | 15 |
| Portland, Maine........... | ........... | ........... | ........... | ........... | ........... | ........... |
| Portland, Oreg............ | 5 | 4 | 5 | 4 | (*) | (*) |
| Providence, R.I........... | (*) | ........... | (*) | ........... | ........... | ........... |
| Richmond, Calif........... | 3 | 1 | 1 | (*) | 2 | 1 |
| San Francisco, Calif...... | 8 | 5 | 8 | 5 | ........... | (*) |
| San Juan, P.R............. | (*) | (*) | (*) | (*) | ........... | ........... |
| Savannah, Ga.............. | 1 | 1 | 1 | 1 | ........... | ........... |
| Seattle, Wash............. | 27 | 40 | 27 | 37 | ........... | 3 |
| Stockton, Calif........... | 2 | 1 | 2 | 1 | ........... | ........... |
| Tacoma, Wash.............. | 1 | 3 | 1 | 3 | ........... | ........... |
| Tampa, Fla................ | (*) | (*) | (*) | (*) | ........... | ........... |
| Wilmington, Del........... | (*) | ........... | (*) | ........... | ........... | ........... |
| Other seaboard ports...... | 321 | 341 | 160 | 157 | 163 | 184 |
| Great Lakes, total..... | 11 | 18 | 6 | 5 | 4 | 13 |

*Less than 500 long tons.

[1]Includes Newark, N.J., and Perth Amboy, N.J.

Note: Totals represent sums of unrounded figures, hence may vary slightly from sums of rounded amounts.

Source: Bureau of the Census, Foreign Trade Division Summary Report FT 985, United States Waterborne Foreign Trade Statistics.

TABLE N.--CONSOLIDATED SHIPPING WEIGHT OF TOTAL OUTBOUND[1] AND INBOUND[2] SHIPMENTS IN THE WATERBORNE FOREIGN COMMERCE OF THE UNITED STATES AT 35 PRINCIPAL SEABOARD PORTS: 1959 AND 1960

(Note: Export data exclude shipments of under $500 in value. Import data exclude shipments of under $100 in value.)

(Shipping weight in thousands of long tons)

| United States port | Total foreign trade | | | Outbound | | | Inbound | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change | 1960 | 1959 | Percent of change |
| Total (seaboard).... | 268,638 | 258,282 | +4 | 92,014 | 80,710 | +14 | 176,624 | 177,572 | -1 |
| Anacortes, Wash..:..... | 2,041 | 2,354 | -13 | 12 | 13 | -8 | 2,029 | 2,341 | -13 |
| Baltimore, Md.......... | 22,398 | 20,724 | +8 | 4,397 | 3,731 | +18 | 18,001 | 16,993 | +6 |
| Baton Rouge, La........ | 6,474 | 6,363 | +2 | 3,047 | 2,839 | +7 | 3,427 | 3,523 | -3 |
| Boston, Mass........... | 5,772 | 6,016 | -4 | 832 | 660 | +26 | 4,940 | 5,356 | -8 |
| Charleston, S.C........ | 1,576 | 1,573 | (*) | 420 | 223 | +88 | 1,157 | 1,350 | -14 |
| Corpus Christi, Tex.... | 4,942 | 5,196 | -5 | 1,545 | 1,381 | +12 | 3,398 | 3,814 | -11 |
| El Segundo, Calif...... | 1,373 | 788 | +74 | 206 | 175 | +18 | 1,167 | 613 | +90 |
| Galveston, Tex......... | 4,468 | 4,022 | +11 | 4,207 | 3,872 | +9 | 261 | 150 | +74 |
| Houston, Tex........... | 8,880 | 8,967 | -1 | 6,270 | 5,993 | +5 | 2,609 | 2,973 | -12 |
| Jacksonville, Fla...... | 2,117 | 2,200 | -4 | 284 | 240 | +18 | 1,833 | 1,959 | -6 |
| Long Beach, Calif...... | 4,903 | 4,198 | +17 | 2,063 | 1,383 | +49 | 2,840 | 2,815 | +1 |
| Longview, Wash......... | 1,184 | 928 | +28 | 1,053 | 748 | +41 | 131 | 180 | -27 |
| Los Angeles, Calif..... | 7,285 | 6,088 | +20 | 2,784 | 2,669 | +4 | 4,500 | 3,419 | +32 |
| Marcus Hook, Pa........ | 5,144 | 5,277 | -3 | 194 | 138 | +41 | 4,950 | 5,139 | -4 |
| Martinez, Calif........ | 1,637 | 1,194 | +37 | 181 | 82 | +121 | 1,456 | 1,112 | +31 |
| Mobile, Ala............ | 7,359 | 8,692 | -15 | 1,602 | 1,739 | -8 | 5,757 | 6,953 | -17 |
| New Orleans, La........ | 11,417 | 9,694 | +18 | 7,481 | 5,673 | +32 | 3,936 | 4,021 | -2 |
| New York, N.Y.[3]........ | 40,110 | 41,042 | -2 | 6,658 | 5,811 | +15 | 33,452 | 35,231 | -5 |
| Newport News, Va....... | 11,312 | 12,110 | -7 | 7,633 | 8,469 | -10 | 3,679 | 3,641 | +1 |
| Norfolk, Va............ | 17,979 | 16,367 | +10 | 15,577 | 14,068 | +11 | 2,402 | 2,299 | +4 |
| Paulsboro, N.J......... | 6,745 | 6,151 | +10 | 180 | 126 | +43 | 6,565 | 6,025 | +9 |
| Philadelphia, Pa....... | 20,482 | 23,078 | -11 | 1,973 | 1,888 | +5 | 18,508 | 21,190 | -13 |
| Port Arthur, Tex....... | 2,513 | 1,951 | +29 | 2,414 | 1,899 | +27 | 99 | 52 | +90 |
| Portland, Maine........ | 10,835 | 11,861 | -9 | 105 | 64 | +64 | 10,730 | 11,797 | -9 |
| Portland, Oreg......... | 2,980 | 2,407 | +24 | 2,490 | 1,937 | +29 | 490 | 470 | +4 |
| Providence, R.I........ | 1,130 | 1,259 | -10 | 99 | 78 | +27 | 1,031 | 1,181 | -13 |
| Richmond, Calif........ | 3,230 | 2,514 | +28 | 665 | 644 | +3 | 2,565 | 1,870 | +37 |
| San Francisco, Calif... | 1,401 | 1,599 | -12 | 463 | 398 | +16 | 939 | 1,201 | -22 |
| San Juan, P.R.......... | 1,658 | 1,584 | +5 | 43 | 73 | -41 | 1,614 | 1,511 | +7 |
| Savannah, Ga........... | 2,264 | 2,148 | +5 | 553 | 395 | +40 | 1,711 | 1,753 | -2 |
| Seattle, Wash.......... | 2,000 | 2,000 | ....... | 1,128 | 973 | +16 | 873 | 1,028 | -15 |
| Stockton, Calif........ | 1,548 | 1,294 | +20 | 1,455 | 1,216 | +20 | 93 | 78 | +19 |
| Tacoma, Wash........... | 1,560 | 935 | +67 | 1,059 | 571 | +85 | 501 | 364 | +38 |
| Tampa, Fla............. | 4,742 | 4,062 | +17 | 3,894 | 2,954 | +32 | 848 | 1,107 | -23 |
| Wilmington, Del........ | 2,942 | 3,148 | -7 | 68 | 28 | +143 | 2,874 | 3,119 | -8 |
| Other seaboard ports... | 34,236 | 28,498 | +20 | 8,979 | 7,559 | +19 | 25,258 | 20,944 | +21 |

*Less than 0.5 percent.

[1]Outbound data represent a consolidation of the export figures in table G, the outbound in-transit figures in table K, and the Department of Defense controlled cargo and "special category" figures in table M.

[2]Inbound data represent a consolidation of the import figures in table G, and the inbound in-transit figures in table K.

[3]Includes Newark, N.J., and Perth Amboy, N.J.

Note: Totals represent sums of unrounded figures, hence may vary slightly from sums of rounded amounts.

Source: Bureau of the Census, Foreign Trade Division Summary Report FT 985, United States Waterborne Foreign Trade Statistics.

Senator ENGLE. Without objection the figures at the end of your statement will be made a part of the record.

I am very grateful to you, Mr. Secretary, and for your associates being here in this very informative and helpful hearing, which will be followed up from time to time. I hope to develop this subject somewhat further.

Mr. BEHRMAN. We will be very glad to appear again, Senator.

Senator ENGLE. Thank you very much for coming.

(Thereupon, at 11:50 a.m., the committee was adjourned.)

(The following letter was subsequently submitted:)

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
*September 10, 1962.*

Hon. WARREN G. MAGNUSON,
*Chairman, Senate Committee on Commerce,*
*Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: To my great regret, the work before my own committees make it impossible for me to be present during your committee's hearings on trade patterns in the Pacific area. However, I would like to take the opportunity to express my deep interest in the subject, and my thanks for your committee's efforts to increase the volume of trade in the Pacific.

In these days when the European Common Market looms large in any discussion of our foreign trade, too often overlooked is the fact that nearly 25 percent of our foreign sales are made to countries in the Pacific area. The tremendous growth of our trade with Japan vividly demonstrates the ultimate potential which exists for American exports in this region. While the growth of our trade in the area may depend in large part on the economic development of its 16 countries, I am confident that there are many steps which can be taken now to stimulate our sales to the region and to insure that American producers and manufacturers share fully in the growing markets there.

I hope, for instance, that your hearings and your consideration of this matter will result in greater efforts on the part of our Government to put an end to the exchange controls, import quotas, and similar restrictions which now hamper our trade with the Pacific countries. My own observations convince me that our Government can also take more effective steps through our embassies, our trade missions, and similar activities to encourage and foster U.S. trade with this area.

Let me again express my appreciation for your committee's willingness to look into ways by which our trade in the Pacific area can be expanded, and I want to assure you of my full support for your efforts in this highly important endeavor.

Sincerely,

THOMAS H. KUCHEL,
*U.S. Senator.*

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