So, even on the basis of the probably incomplete data available, the actual commercial picture is quite different from the presentation regularly publicized and presumably to be understood as reflecting the favorable position which we have reached as a result of our foreign trade policy.

Parenthetically, it has been suggested by some that the omission of ocean freight costs from our imports is not serious, as some of this freight is paid to U.S. interests. This, waiving the fact that it suggests bad accounting, provides small comfort, however, because our international transportation balance also shows a deficit.

The common assumption that our foreign trade policy has been fundamentally sound, is subject to further question. Thus, even if we use our foreign trade statistics as commonly publicized, we find that the percentage of our foreign trade to our gross national product from 1948, the start of the multilateral agreements, to 1966, has varied from year to year between 6.6 percent and 7.8 percent, with no particular trend. But the proportion of imports included has steadily increased from about 33 percent of the total to 46 percent of the total. Even during the last ten years or so this situation has remained essentially the same. Our total foreign merchandise trade still varies between 6.7 percent and 7.5 percent of our gross national product and imports rose from 43 percent to 46 percent of the total. It is evident that imports have been an increasingly large part of our foreign trade.

The consistency of the relation between our foreign merchandise trade and our gross national product, raises the question whether the course of economic progress here and abroad has not controlled this situation more than the tariff adjustments which have been made under the trade agreements. At the same time, the relative increase in imports, where these have merely displaced production in this country, has not been constructive and has seriously hurt certain of our industries and their employees.

One is also induced to question, how controlling are the motives of so-called retaliation and reciprocity in determining what other nations buy from us and what we buy from them? It has never been demonstrated, except perhaps under special circumstances, that foreign nations will not buy from us what they absolutely need, such as food and machinery, even if they might object to certain steps we may take to protect one or more of our industries against low price competition which for reasons beyond their control they cannot meet. Similarly, it is questionable whether we would stop importing commodities we really need or find desirable, because of action taken abroad to mitigate some economic trouble. For instance, when Germany limited the quantity of coal which she would buy from us, even though it was considerably cheaper than her domestic coal, in order to keep her miners employed, we are not aware that we retaliated by eliminating an equivalent amount of imports from that country. Moreover, if German policy in this respect changes, it probably will be primarily on the basis of the economic situation she faces and not particularly to induce us to increase our imports from her.

We readily admit the general necessity of importing from countries abroad to provide them with the dollars which they need to buy from us, and that the easiest way to do this is to open our markets in a wide expanse on favorable terms to them. On the other hand, it is possible for foreign countries to obtain dollars or the equivalent by trading with other countries, even if that might prove a little more difficult.

It is often proclaimed by those who stress the benefits of increasing our foreign trade in toto, that more imports are desirable because they make available to the domestic consumer a greater variety of products in larger volume at lower prices. While this claim may be true in part, it is typical of the unreliability of such broad statements. The benefits cited are certainly not applicable to any such highly standardized products as those of the brass mills.

As to the assertion that greater variety is provided by imports, the contrary is here the case. Our imports of brass mill products consist almost exclusively of common items readily available from the domestic mills. To the extent, then, that these products are imported at prices lower than the domestic mills have to charge, to that extent foreign cheaper labor has been used to reduce the income of the domestic worker, with a corresponding reduction in his purchasing power. There is thus an economic loss that offsets, at least, any gain to the buyer in lower prices. The reduction in the business of the domestic mill compounds the economic loss.