

steel company would be a prime candidate for employment by a machinery firm enjoying an expanding export business.

I conclude this section by saying that legislation to reverse the course we have taken toward free trade is bad economics, bad foreign policy, and is bad for the people. I suggest to the committee that, when its ramifications are understood, it is bad politics.

Now, let me turn for a moment to application of these principles to my own district. Harris County, and particularly my district, is virtually the heart of the transportation system of that area of the Southwest.

As a matter of fact, the Houston ship channel wholly lies in my district.

If we look solely to the Houston area, the case is overwhelmingly against restriction of imports. For the year 1967, about \$0.59 billion worth of imports were imported through Houston as opposed to \$1.36 billion exported through the port. It is easily seen that the people in my district have far more to lose in terms of profits and employment from trade restrictions than could possibly be gained. Import quotas would have a disastrous effect on the many longshoremen, seamen, masters, mates, and pilots who live and work in my district. The entire community of Houston-Harris County is benefited: laborers, railroadmen, chemical and oil workers, bankers, port officials, and all others related to commerce. In addition, professional men, such as lawyers processing the claims of the waterfront people; the industrial workers, manufacturing the goods that flow through the port; accountants, servicing the stevedoring firms; and hence, indirectly, every person living or working in the area, enjoy the fruits of free trade.

In 1966, a total of \$416.3 million worth of exports were manufactured in Houston, primarily food products, chemicals, petroleum and coal products, crude and fabricated metal products, and machinery. The total employment in these particular industries is about 91,000. An estimate of the number of these people whose jobs are directly attributable to exports is nearly 70,000. This is in addition to all those mentioned above whose jobs are in the actual trade aspect of the flow of goods and services through Houston. Thus, about 20 percent or more of the total employment in my district would be jeopardized if the protectionists have their way.

The last point I would like to make is in support of the elimination of the American selling price system. If we were to ignore all other reasons for doing so, we would still be compelled to do away with ASP solely to help elicit the cooperation of our friends abroad in speeding up their Kennedy round tariff reductions. The concessions thus gained will far outweigh any possible disadvantages arising from the repeal of ASP. But aside from that, the fact remains that the industries protected by ASP no longer need the extent of protection which it affords. The rates are extraordinarily high and not in keeping with the spirit of growing international trade and cooperation. The American manufacturer has an almost unheard of advantage in being able to set his prices and having the tariff on competing goods follow from it. It should be noted that the industries covered by ASP are very healthy and growing. Profits and investment are high, and employment is largely unaffected by imports as many of the benzenoid products are