The CHAIRMAN. Thank you again for coming.

Mr. Stewart, if you will again identify yourself for our record we will be glad to recognize you.

STATEMENT OF EUGENE L. STEWART, COUNSEL, U.S. PRODUCERS OF FLAT GLASS

Mr. STEWART. Mr. Chairman and members of the committee, I am Eugene L. Stewart. I appear here as counsel for the U.S. Producers of Flat Glass. I have a prepared statement which includes an extensive statistical appendix. I shall not read the statement, Mr. Chairman, but rather will summarize it.

The CHAIRMAN. With the knowledge that your entire statement and the materials appended to it will appear in the record.

Mr. STEWART. Thank you. I will occasionally refer to particular pages of the statement but otherwise will not follow it so it would not be possible for you to follow the statement. I therefore respectfully request your attention to what I have to say.

The flat glass industry is presented to this committee because it offers an opportunity to illustrate to you the operation of the past and present escape clause or adjustment assistance provisions of the act as well as a combination of devices which face the export trade of a basic manufacturing industry, including in addition to the European border taxes and other nontariff barriers, the type of systematic restrictive business practices with which basic industries in other countries undertake to influence and control foreign trade.

The production of glass is one of the oldest industries in the world. In this country it began in Jamestown in the early 1600's. To produce glass requires abundant natural resources, silica sand, soda ash, limestone, and a source of fuel such as coal or natural gas.

These exist in the proper combinations in the United States, England, Belgium, France, Germany, Czechoslovakia, Russia, Japan, and Taiwan.

Over the long sweep of time this industry, the demand for whose products is tied to the economic cycles, the pace of construction activity in various countries, and the strength of the automobile industry around the world, has gone through such peaks and valleys of economic distress that outside of the United States order has been achieved by the establishment of a monopoly such as in England with the Pilkington group, a formal cartel as on the Continent of Europe with St. Gobain in France, Glaverbel in Belgium and the German producers, and an arrangement such as exists in Japan where the three dominant producers, Asahi, Nippon, and Central, are permitted to rationalize their approach to exporting by agreeing who shall export what and at what prices, and now most recently typified by Taiwan whose government promotes the production of flat glass by tax forgiveness and the subsidization of raw material costs.

As against this rather formidable array of competitive forces abroad, the U.S. industry competes on the basis of, first, wage rates of $3.60 an hour on the average for production workers, which are far higher than most other American industry, and a trade policy which has increasingly exposed the largest market, the U.S. market, for the benefit of these foreign monopolies and cartels.