TABLE 21.—MANMADE FIBER PRODUCTION, AN INTEGRAL PART OF THE U.S. TEXTILE INDUSTRY

	Manmade fibers	Textile mill products	Apparel and other textile products	Total textile industry	Percent manmade fibers of total
Employment, March 1968 (in thousands)	104.9	967.9	1,404.2	2,477.0	4.2
Value added by manufacture, 1966 (in millions)	$1,852.2	$8,028.4	$9,220.5	$19,101.1	9.7
Exenditures for new plant and equipment, 1966 (in millions)	$474.0	$887.3	$205.8	$1,567.1	30.2
Research and development, 1966 (in millions)	$134.5	$42.0		$176.5	76.2
Sales, 1966 (in millions)	$2,915.9	$39,570.9		$42,486.8	6.9
Research and development as percent of sales, 1966	4.6	0.1		0.4	----------

Source: Employment: U.S. Department of Labor, Bureau of Labor Statistics, "Employment and Earnings and Monthly Report on the Labor Force," May 1968. Value added, expenditures for new plant and equipment, and sales: U.S. Department of Commerce, Bureau of the Census, "Annual Survey of Manufactures," 1966. Research and development: National Science Foundation, "Research and Development in Industry," 1966, January, 1968, table 2; manmade fibers, Textile Economics Bureau, Inc.

Mr. LANDRUM. Thank you, Mr. Broun. Mr. Stewart, do you have a statement?

Mr. BROUN. Mr. Stewart, as I said at the outset, is counsel for our association. We have worked together in preparation for this appearance and I have therefore asked him to be here for the purpose of answering any questions the committee may have.

Mr. LANDRUM. Mr. Utt.

Mr. UTT. Mr. Chairman, I have one question. That is in this manmade fiber do you include glass fiber?

Mr. BROUN. Manmade fiber is a concept which does include glass fibers but in the definition I gave it was not included because it so happens that no glass fiber maker is a member of our association.

Mr. LANDRUM. Any further questions?

I want to ask one question on this credit for foreign border taxes, recommendation number two on page 17.

Is that to be interpreted that we would get into the subsidy business the same as we discussed in earlier testimony here that foreign governments are doing for their exporters?

Mr. BROUN. Well, not having heard the testimony to which you refer, I can't answer that categorically. What I have said is that foreign border taxes paid on behalf of the U.S. exporters should be allowed as a direct credit against their income tax liability, and that of course would tend to reduce their income tax liability and alleviate them to that extent of the burden of those taxes.

Whether that was the tax to which you have reference I don't know. Do you wish to add something to that, Mr. Stewart?

Mr. STEWART. If I may supplement, Mr. Landrum, there is a distinction between the proposal that the United States subsidize its exports by remission of its own taxes and this proposal which would allow a tax credit to a U.S. exporter in respect to foreign border taxes that had to be paid to get his goods into that country.

In this sense we are not subsidizing our exports by remission of our taxes, but we are recognizing that a foreign country's border taxes are a barrier to our getting into that country and by this method of a tax credit we have a system, as it were, of automatic countervailing measures to offset their unfair border taxes.