The CHAIRMAN. All right. Go right ahead.

Mr. HOBBS. NEMA suports the international trade policies of the United States as set forth in section 102 of the Trade Expansion Act of 1962, as follows:

"The purposes of this act are, through trade agreements affording mutual trade benefits—(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S. agriculture, industry, mining, and commerce; and (2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world . . ."

Our views on the conduct of U.S. foreign trade policy are essentially the same as they were prior to the Kennedy round. In preparation for that round of tariff negotiations in 1964, NEMA testified before the trade information committee that, in general, we were basically a free-trade industry, that we supported the Government's efforts to reduce virtually all barriers to world trade in electrical products and that, with rare exceptions, we would not request that the products of our industry be reserved from negotiations.

We pointed out that there were a limited number of electrical products which were deserving of special consideration in the negotiations.

One group of products we felt then and still believe to be particularly deserving of separate attention is what we call heavy electrical equipment—the large, high-technology turbine generators, power transformers and power circuit breakers used by electric utilities for the generation and transmission of electric energy. This is because there is not free and open international trade in this equipment. Foreign manufacturers can and do sell it in the United States. But we cannot sell such equipment in their markets because it is excluded by nationalistic buying policies. Simply stated, here is one-way trade in a large industry in which the United States has always excelled. Therefore, in 1964, we requested that U.S. tariffs on these products not be reduced unless the nontariff barriers of other countries were also reduced in a manner which would provide U.S. manufacturers access to foreign markets for such products equal to the access of similar foreign equipment to U.S. markets. Nevertheless, U.S. duties on this equipment were cut the full 50 percent in the Kennedy round, without any foreign country concessions to open up their protected home markets to U.S. competition.

We are confident that a more favorable trade balance can be achieved if U.S. manufacturers of electrical equipment used by electric utilities are given a fair opportunity to compete in Europe and Japan, which could also improve certain competitive conditions in the U.S. market.

American purchasers of utility equipment from foreign manufacturers reached new levels in 1967, when orders placed with foreign supplies by U.S. utilities exceeded the cumulative total of all such purchases during the preceding 75 years. Nearly $250 million of such equipment was ordered from abroad last year by both Government-owned and investor-owned utilities.

In determining proper future trade policy of the United States, critical questions for American manufacturers of large electrical equipment are whether they are to be given a genuine opportunity to