manufacturers lost approximately—this is on the basis of orders placed in 1967 by U.S. utilities, both investor-owned and Government-owned—16 to 17 percent of the turbine generator business to foreign suppliers last year.

The power transformer orders placed abroad were a smaller percentage, 7 percent perhaps, and the power circuit breakers maybe 5 percent.

You see, this is not published information as yet and these articles require long leadtime so that some of them are shipped in different years than when the orders are placed.

Mr. SCHNEEBELI. So it would show up more the next couple of years.

Mr. HOBBS. In later years, when the import shipments are received in this country.

Mr. SCHNEEBELI. And you imply that the buy American provisions are very ineffectual?

Mr. HOBBS. They have been almost totally ineffectual, and, remember, they apply only to Government agencies.

Mr. SCHNEEBELI. Yes, I realize that, but even so TVA is buying lots of large generating equipment.

Mr. HOBBS. The foreign prices on power transformers during some of the past 7 or 8 years have averaged as much as 40 percent below the level in the exporting countries, so a 6 percent differential applied here, plus import duty, has not been enough to stop them.

Mr. SCHNEEBELI. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Betts.

Mr. BETTS. Mr. Hobbs, on page 3 you mention this request that your company made that there be no reduction in tariffs unless the nontariff barriers on the part of other countries were also reduced and apparently you didn't win on that score and in the Kennedy round the tariffs on these particular products were reduced 50 percent.

Do you know whether or not these nontariff barriers that you asked to be removed are in the agreement to be removed if we removed the American selling price?

Mr. HOBBS. No, they are not part of that arrangement, Mr. Betts.

Mr. BETTS. So if we remove the American selling price these barriers will still exist?

Mr. HOBBS. That would have no bearing on this problem. As a matter of fact, we are dealing principally with Government procurement here, at least procurement by publicly owned bodies, and under the GATT I believe Government procurement is not part of the negotiating procedure.

Nonetheless, is is trade, but, in any case, the answer to your question is "No," nothing that is pending before Congress in the present legislation would specifically affect these nontariff barriers.

Mr. BETTS. I just wanted to make sure whether there was anything in the offing that could help remove these barriers if we did something here, but apparently there is not. Is that correct?

Mr. HOBBS. There is nothing in the bill before you now that would specifically affect them.

Mr. BETTS. Now, then, also from your statement on page 3 at the bottom of the page, I would assume that you feel that the 50-percent reduction in tariffs is causing most of your trouble here. Is that correct?