

employer of American Indians in this country. We have a plant in the Navajo Reservation in New Mexico, with 500 girls working there who have never seen a transistor before.

Their productivity equals the output we have from our factory in Portland, Maine, in Mountainview, or in Europe.

I think they need the opportunity and the legislative acts that are going on in this country today to bring opportunity to unskilled people is certainly working in this direction.

We are looking at a bit here and a bit there, but I don't think you are ever going to upgrade the working capacity of people by putting up an umbrella and protecting them and saying, look, we are going to keep you employed at \$1.60 an hour doing the job which can be done much better either by automation or certainly by bringing in competitive products from abroad.

Mr. CONABLE. Now let's look at this from a different angle. Isn't completely free trade going to end with total dependence on foreign suppliers for some types of products?

For instance, isn't it likely that some vital industries will be either moved abroad by our own producers or supplanted by foreign competition?

Mr. HODGSON. I think this could happen, yes, and I think some of the statistics that were given earlier today don't necessarily mean a reduction in employment in these specific industries that one is talking about.

We have moved abroad operations which were labor-intensive, low skilled. In many cases we weren't even able to man the plants, you might say, for this type of an operation.

People were not interested in this work. We moved them abroad. This is a period of time where certainly I agree our industry is perhaps special in that sense. It is highly technology oriented and new processes, new techniques, are going to bring a lot of that work back into this country but that doesn't mean that we are going to be laying off people abroad either. There are other opportunities for them now that have come out of our investments in plants abroad.

I think it is a continual series of movements. I think one has to look at the trade business as being an international business and not look at it specifically by countries or boundaries or industries.

Mr. CONABLE. Apparently one has to be an optimist in this field.

Mr. HODGSON. You have to be a believer, but I don't think you have to be an optimist.

Mr. CONABLE. I have no other questions.

Mr. FULTON. How many foreign countries does Fairchild have plants in?

Mr. HODGSON. Well, I would roughly guess about 10.

Mr. FULTON. Could you name those countries?

Mr. HODGSON. Yes; England, Sweden, France, Germany, Italy, Holland, Hong Kong, Korea, Australia, Canada, and Mexico.

Mr. FULTON. On behalf of the committee I want to thank you for your excellent presentation and contribution you have made to the committee in its deliberations.

Mr. HODGSON. Thank you.

(The following statements were received, for the record, by the committee:)