Based on Department of Commerce figures (*Washington Post*, January 12, 1968) exports for 1967 were estimated $31 billion and imports $26.7 billion. Adding 10 percent—a conservative figure—to imports for CIF valuation, this figure becomes $29.37 billion, and our balance of trade figure quoted at $4.3 billion drops to $1.63 billion, a sharp drop of $2.67 billion. Of course many countries use in excess of 20 percent to add the CIF valuation. If we used their CIF percentage in computation, we would have a deficit in our trade account.

Effect of U.S. Government Subsidies

Government subsidies have a tremendous effect on U.S. trade statistics; to reflect a true figure for calculating a surplus or deficit in trade, subsidies must be considered. For example, in testimony before the Senate Finance Committee in their consideration of the Trade Expansion Act, Secretary of Agriculture Freeman, August 15, 1962, on a request by Senator Bennett to supply the record with figures to show the percentage of total exports agriculture represented, the following are the figures supplied:

Value of U.S. exports, total and agricultural, in fiscal year 1961–62

Total exports	$21,216,874,000
Agricultural exports	5,138,837,000
Percentage of agricultural to total exports	24

In order to find the true figures of our exports that move in commercial competition or for dollar sales we must know the breakdown of the subsidized products and shipping costs paid for by the U.S. Government. In response to a request by Senator Curtis on the same day, for a breakdown on export subsidies, P.L. 480 subsidies shipping costs, trade mission costs, Secretary Freeman supplied the following information:

Cost of financing agricultural exports under Food for Peace (Public Law 480) and export subsidy programs July 1, 1961 through May 31, 1962:

	Millions
Public Law 480:	
Gross cost to CCC of financing sales of agricultural commodities for foreign currency under title I	[1] $1,212.7
Ocean transportation costs financed by CCC	88.3
CCC cost of commodities granted under title II	165.8
CCC cost of commodities donated under title III	194.7
Excess of CCC investment over exchange value of materials received under title III barter program	3.9
CCC cost of title IV sales in excess of anticipated dollar repayments	16.9
Total, Public Law 480	1,682.3
Cost to CCC of payment in kind and cash subsidies (excludes $249,800,000 PIK and cash subsidies included under gross cost of title I sales, above)	322.1
Total cost of Public Law 480 and export subsidy programs	2,004.4

[1] In payment for commodities sold under this program, foreign governments are required to deposit the equivalent of $907,000,000 in their local currency to the account of the U.S. Government. These currencies are used for various purposes authorized under sec. 104 of Public Law 480, such as payment of U.S. obligations abroad, agricultural market development, loans and grants for economic development, loans to U.S. and foreign private business, and other mutually agreed purposes.

USDA expenditures for trade fairs and other market development projects abroad amounted to $7,500,000 during fiscal year 1962.

This information points up that our method of reporting exports is misleading and very unrealistic. In the above case agricultural exports of $5.1 billion, and reported in the figure of total exports as such, should have been reported at $3.1 billion or the staggering figure of $2 billion less, and which immediately reduces the total export figures from $21.2 billion to $19.2 billion.

Our trade statistics should truly show our position in trade, so that trade policy decisions can be based on accurate figures, and not figures that undervalue imports and overvalue exports.

Adjustment Assistance under TEA

As an important part of the Trade Expansion Act, provisions are made for petitions to be filed with the Tariff Commission by workers or firms for adjustment assistance. The Tariff Commission makes an investigation and if their