

yet expecting American workers to purchase products that are putting them out of work and destroying job potential. U.S. foreign affiliates exported products back to the U.S. totaling \$5.133 billion, in manufactured products, mining products, and petroleum and petroleum products. These exports flow from private direct foreign investment of \$54.5 billion, as of the end of 1966, located primarily in Canada and Western Europe.

The American people have for many years been misled, with regard to our balance of trade figures, into believing the United States has been enjoying large surpluses in our trade account, when in fact we are not. If we valued our imports as most countries do, on a CIF basis, our import valuations would increase by ten to twenty percent.

Also, we overvalue our exports by including Government subsidies within our export figures. As previously shown for fiscal 1961-62, \$2 billion was included in our agricultural export figure, that in reality represented the Government paid subsidies and Public Law 480 subsidies.

Reporting imports on a CIF basis, withdrawing Government subsidies when reporting agricultural exports, would give a true picture of our balance of trade, and in many, many cases would have resulted in a deficit in our trade account.

Accurate and realistic trade statistics on our imports and exports would make possible more responsible and responsive decisions on our Nation's foreign trade policy. It is imperative for the Congress to have the accurate facts at their disposal so they can regulate foreign commerce and preserve this Nation's economic well-being.

The adjustment assistance section of the Trade Expansion Act, providing for assistance to firms and workers has proven worthless, negated by the addition of the words "in major part." As a result there has not been a single case with an affirmative finding by the Tariff Commission since enactment of the law in 1962.

On behalf of the Stone, Glass and Clay Coordinating Committee, we urge legislation to regulate foreign trade and investment policy to restore the economic well-being of domestic industry and American workers.

I want to thank you for this opportunity to express our convictions before this Committee.

Mr. ULLMAN. Thank you, Mr. Chester.

Are there questions?

Mr. Collier.

Mr. COLLIER. May I ask, is the porcelain insulator business represented by your unions?

Mr. CHESTER. I would have to check.

Mr. REISER. We represent three plants in porcelain.

Mr. COLLIER. Is this business particularly affected by Japanese importation?

Mr. REISER. The large insulators are, and of course in that area of the smaller insulators, there are other products, like glass, and that, which has affected the volume of porcelain products.

Mr. COLLIER. May I ask, is tile also in your union?

Mr. REISER. That is right.

Mr. COLLIER. There has been some voluntary limitation of Japanese importation of tile, hasn't there?

Mr. REISER. Yes, sir, that is correct.

Mr. COLLIER. In order to preserve some part of the market for American producers?

Mr. REISER. Yes.

Mr. COLLIER. Do you know what percentage that is?

Mr. REISER. Well, no, I don't, because there seems to be not too much said about it. Somebody is afraid of rocking the boat, I think is what it is. Every time I seek some information, it is better not to say anything about it.

Now, we lost approximately 4,000 tile workers, that is, floor and wall tile, and it took 3 or 4 years to establish that they were dumping.