and from earlier discussions we have had with the forest products industry that they feel strongly that they do not now have access to the expanding market for forest products in Japan. I will come back to this point a little later.

The second interest of which I spoke—expanding the U.S. exports—takes on increased importance in light of the U.S. balance-of-payments problem. In order to safeguard the strength of the American dollar, the U.S. Government has had to make unpleasant and painful decisions. We have had to put mandatory controls on American investment abroad. We have had to ask our banks to cut down further on overseas lending. We are considering measures to narrow the earnings gap from tourism. No one likes these measures, least of all the U.S. Government, and we all want to get rid of them as quickly as possible. The best means of doing this is by increasing U.S. exports. As President Johnson stated in his New Year's Day message to the Nation on the balance of payments, "The need for action is a national and international responsibility of the highest priority." Any proposals which run counter to this interest—that is, which would result in limiting U.S. exports, particularly on net overall balance of payments—must be looked at very carefully. It is imperative that we expand our exports.

Regarding the third interest—avoiding the imposition of barriers to trade—let me refer again to the President's balance-of-payments message, where he said:

> In the Kennedy Round we climaxed three decades of intensive effort to achieve the greatest reduction in tariff barriers in all the history of trade negotiations. Trade liberalization remains the basic policy of the United States.

For these three decades, the United States has been the chief architect of a foreign trade policy based on expanding world trade through cooperative action with friendly countries. Our goal has been a free and open world trading system built on the principle of equality of treatment and the elimination of unnecessary restrictions on the flow of goods across national boundaries. Experience, we think, has amply demonstrated that the greater the area of trade freedom, the greater the opportunities for fruitful exchange and growth.

Our trade program has brought substantial benefits for the United States. American exports of goods of all kinds have increased to record levels, reaching $31 billion in 1967. Numerous new job opportunities have been created. The procurement of essential materials needed by our rapidly expanding economy has been facilitated. American consumers have a much greater variety of goods from which to choose. In short, the U.S. economy is richer and more dynamic than it would be in the absence of a liberal trade policy.

In respect of the fourth interest, the people of Japan and the United States share many common ideals and objectives in the field of international relations. We jointly share, with other countries of the free world, the heavy and important responsibility of shaping a better, more prosperous, and peaceful world. In this regard, our relations with Japan have been unique. Although thousands of miles separate us geographically and we have different racial, cultural, and historical backgrounds, Japan and the United States in recent years have developed close and amicable relationships in many areas. We have developed ties of commerce, security, friendship, and mutual respect.

The importance of these ties is evident. In the past two decades