

Mr. SCHNEEBELL. I find it very interesting to see little steel lined up with big steel because you are usually competitive.

Mr. PHELPS. Thank you, sir.

Mr. BURKE. The Chair will be compelled to call a short recess because there is an automatic rollcall on the House floor. Mr. Nelson Stitt will be the first witness when the committee resumes its hearings.

Mr. PHELPS. Thank you.

(A brief recess was taken.)

Mr. BURKE. Will you identify yourself, Mr. Stitt, for the committee, please.

STATEMENT OF NELSON A. STITT, DIRECTOR, UNITED STATES-JAPAN TRADE COUNCIL

Mr. STITT. Yes, Mr. Chairman. I am Nelson Stitt, director of the United States-Japan Trade Council. The United States-Japan Trade Council is a trade association with a membership of over 700 firms located in the United States, which conduct among them most of the trade between the United States and Japan.

Our members, like all those buying and selling abroad, are enormously concerned about bills to restrict trade which are pending before this committee. We believe that these bills not only threaten U.S. relations with other nations but also pose a serious danger to the health of the U.S. economy.

Obviously, Mr. Chairman, our written statement is far too long to be given in the time allotted me. Therefore, I respectfully request that it be incorporated in the record in its entirety.

Mr. BURKE. Without objection, it will be included in its entirety.

Mr. STITT. Since today is steel day, I shall first like briefly to summarize our whole position on the issues before this committee and then move on to steel.

For instance, we believe there would be a great number of unfortunate consequences of trade restrictions for the U.S. economy. They would negate the benefit of imports in helping to maintain moderate price levels in the United States. Restrictions would lead to a serious decline in U.S. exports.

Proposed quota bills would affect 900 million dollars' worth of American imports from Japan in 1967. Japan and all other nations have the right under GATT to retaliate against the U.S. restrictions upon imports.

We believe there would be unfortunate consequences of losing the momentum of leadership in international trade. It is particularly important for the United States not to backslide into protectionism because of the worldwide production of multinational corporations chiefly owned by Americans.

Restrictive trade proposals would mean the end of a whole era of U.S. leadership in international economic cooperation, and would cause the free world to collapse into autarchic states or trading blocs.

The political consequences of a U.S. retreat into protectionism would be most serious for Japanese-United States relations.

On the general problem of import quotas, our council is opposed to all import quota proposals which in both the short and long run would be self-defeating.