United States, has an Export-Import Bank to help promote Japanese exports of all kinds.

In the national interest the Japanese Ministry of International Trade and Commerce has exhorted its industries to extend their best efforts to expand exports, just as has the U.S. Department of Commerce exhorted American industries. Export goals have been set which industries try to meet. This can hardly be considered much different from the U.S. Government's efforts to promote exports and to discourage investment abroad—on the basis of voluntary industry action.

It has been stated that the Japanese steel market is insulated from steel imports. We would like to point out that during the recent Kennedy round the Japanese duties on steel imports were reduced by an average of 50 percent, and table X attached to my statement demonstrates this fact.

The problem for prospective U.S. exporters of steel to Japan is not nontariff barriers; it is rather that the prices of U.S. steel products are so high that they could not be sold in the Japanese market, whether or not nontariff barriers existed.

A vice president of the Bethlehem Steel Corp. testifying before the Federal Maritime Commission in hearings involving freight rate differentials between the United States and Japan said this:

> Even if there were no freight rate ocean charge for the export of U.S. steel to Japan, Bethlehem could sell little or no steel in the Japanese market because it could not meet the Japanese home market prices.

In any event, it is our understanding, that contrary to the usual assertions, the Japanese Government does not exercise a restrictive import licensing system—in fact that was conceded this morning—with a few minor exceptions, I may say, in certain small varieties of specialty steels.

We wish to draw your attention to table 8 attached. It should be noted that during 1967 steel from Japan represented in volume only 92 percent of Japanese steel imports during 1966—in other words, in 1967 less Japanese steel entered the United States than in 1966—while at the same time total steel imports from all sources in 1967 reached 107 percent of 1966 imports.

To seek quotas on steel imports is to seek an extraordinary degree of protection. That is obvious. It is equally obvious that a country dedicated to private enterprise cannot lightly or easily impose quotas on products competitive with those of its own industries.

Extraordinary reasons must support extraordinary restraints. These extraordinary reasons have not been demonstrated for the U.S. industry, and I submit cannot be demonstrated. It may be that the American steel industry has not experienced the growth which other industries have experienced or that the steel industry stocks are less attractive to speculators than the stocks of other industries or that steel company profits have not achieved so high levels as those of the more glamorous newer industries.

These facts in themselves, even if true, do not furnish reasons sufficient for quotas, particularly when the industry has shown a steady pattern of growth which, whatever its impressiveness in relative terms, is undeniably impressive in absolute terms.