

Mr. BETTS. Well, of course, that isn't under consideration in the steel import quota.

Mr. STITT. They have no quota on steel imports.

Mr. BETTS. Buy American doesn't apply to steel.

Mr. STITT. Well, you were talking about digital computers a moment ago. If you want to talk about steel, there is no steel quota in Japan. The fact is we cannot sell steel to Japan because American steel is so high priced it can't compete in the Japanese market.

Mr. BETTS. Well, of course, Japanese steel can compete over here so we are asking for a quota, but the Japanese computer probably couldn't compete with an American computer but they won't let it in under the buy Japan program.

I am just simply pointing out that simply objecting to an imposition of a quota on steel by Japan is the complete answer.

Mr. STITT. We are speaking of foreign exchange controls now. Japan has liberalized I think by this stage 92 percent to 95 percent, has dismantled, of its former foreign exchange controls. There are still some items under foreign exchange control which are gradually, as I understand it, planned to be abolished.

Mr. SCHNEEBELI. Will the gentleman yield?

Mr. BETTS. Yes.

Mr. SCHNEEBELI. There are still about 123 items on a residual list and that hasn't changed much in the last 4 or 5 years.

Mr. STITT. Yes, sir. Just for the fun of it let's read some of those—live horses, meat and offal of pigs, unrendered pig meat, ham and bacon, herring, cod, hard roe of cod, sterilized meat and milk and cream with fatty content, 13 percent—we have the same thing—processed cheese, small red beans, grapes, apples, pineapples, other black tea, black tea, wheat flour, groats, and meat. Gentlemen, these are agricultural commodities.

Mr. SCHNEEBELI. May I read some more?

Mr. STITT. Yes, sir.

Mr. SCHNEEBELI. OK. How about coal, tungsten ore, motor vehicles, automobile engines, coal bricks, and similar solid fuels manufactured from coal, tariff item 2701.

Mr. STITT. In 1957 Japan bought from the United States \$131 million worth of coal, coal and bricks. What this list tells you is that the Government still retains some exchange control over the purchase of coal and bricks.

Mr. SCHNEEBELI. Why is it necessary to have any list? There are lots of things on this list, aren't there?

Mr. STITT. Yes, sir; there are quite a few things, but this list is not an exclusionary list.

Mr. SCHNEEBELI. Machine tools, typewriters, grinding machines, planers. There are lots of things on here. I can take the other extreme of this list if you take one extreme. There are a lot of items on there that are very important to our economy.

Mr. STITT. Yes, sir; but this is not a exclusionary list.

Mr. SCHNEEBELI. Don't just limit yourself to giving me a list of all these smaller items.

Mr. STITT. I think you will find that three-quarters of the list are agricultural products.

Mr. SCHNEEBELI. I don't agree with your understatement of the case.