

These choices are yours. We feel that the solution contained in the Mills bill is a sensible compromise between the extremes of protectionism and free trade.

Mr. Chairman, I would like to thank you and turn the microphone back to Mr. Dent in case you have any questions.

The CHAIRMAN. We thank you. Mr. Dent, does that complete the presentation?

Mr. DENT. Yes; it does.

The CHAIRMAN. We thank all of you for being with us this morning and for your very fine statements. Are there any questions?

Mr. BURKE. Mr. Chairman.

The CHAIRMAN. Mr. Burke.

Mr. BURKE. I wish to compliment those who testified here this morning. You have indicated complete fairness on the part of your industry as to what you want. You are not asking for a rollback of imports. You merely are requesting a reasonable import policy.

Mr. Darman, I would like to ask you this question. What percentage of Japan's exports of wool fabrics come to the United States and what percentage goes to Europe?

Mr. DARMAN. In round figures, Mr. Burke, slightly in excess of 60 percent of the Japanese exports of wool fabrics come to the U.S. market, while between 2 and 3 percent go to all of Europe, which has a population roughly equal to our own. This market is, therefore, taking 20 to 30 times the volume of Japanese exports of wool fabrics that is taken by all Europe.

Mr. BURKE. Why is this so?

Mr. DARMAN. If you will recall Mr. Dent's testimony and his quotation of Mr. Nehmer, you will readily see that the reason for this is not that the European market is any less attractive to the Japanese than the U.S. market, but purely and simply because the Europeans have constructed a series of arrangements to regulate the flow of Japanese goods into their market.

Mr. BURKE. To your knowledge, have the Japanese retaliated against these European countries?

Mr. DARMAN. To my knowledge, they have not, and in fact many of the arrangements between Japan and the United Kingdom and the EEC countries have been described as voluntary arrangements in that they were negotiated out.

Mr. BURKE. In your judgment, would Japan retaliate if the bills which the chairman and myself, and many others, are sponsoring for an orderly trade in textiles would become law? Do you believe that they would retaliate?

Mr. DARMAN. I would answer that question, categorically, no. In fact, I should like to speak for a moment on the general question of retaliation. Your record is replete with references to the possible retaliation that might occur.

In our judgment, this is spreading a gospel which we think the facts belie.

There is precedent all over the world for what your legislation would do. As Mr. Dent testified, quite correctly, we are not rolling back. We are not even saying that growth in the future will not be shared.