poses," introduced on May 28, 1968, by Chairman Mills of this Committee, as another significant forward step in the direction of freer, nondiscriminatory trade.

At the same time, we must express our most vigorous opposition to the general and specific import quota bills and other protectionist measures pending before the Congress at this time. Since economic isolationism and trade protectionism encourage reciprocal actions, as the world's greatest trading nation the United States would have by far the most to suffer and to lose in any trade war.

As far as Japan is concerned, for example, we understand the several specific quota bills for electronic products, steel, lead and zinc, meat and meat products, groundfish, textiles, hardwood plywood, petroleum articles, and footwear, would seriously jeopardize some 44% of the nearly $3 billion exported to the United States last year.

An across-the-board, comprehensive omnibus general import quota statute, moreover, would substantially threaten all Japanese exports to this country.

On the other side of the coin, such drastic reduction in Japan's ability to earn the dollars with which to continue to be America's biggest overseas cash customer might well result in a loss of most of the more than $2.7 billion in purchases made in 1967, much of it in agricultural goods that are readily available in other countries, often at lower prices than in the United States, such as raw cotton, wheat, soybeans, tobacco, and even hides and skins and logs and lumber.

And Japanese imports from this country are not confined to the output of our lands and farms; they include office and industrial machinery, home and other appliances and apparatus, aircraft and other transport equipment, iron and steel scrap, petroleum products, coal and coke, chemicals, scientific instruments, and most other American manufacturers.

Thus, it would be particularly ironic if the imposition of import quotas on $347 million of Japanese textiles resulted in the loss of $865 million in American exports of agricultural products, for the huge United States textile combine is enjoying unprecedented prosperity and production, while looking forward to even increased profits and output.

In any event, because of the limitations of time and space, we shall concentrate our attention on pending legislation in terms of the textile trade, though our statement and testimony will apply generally to international commercial principles, policies, and practices.

And, because we are specifically concerned with Japanese textiles, we are indebted to the following Japanese textile associations for certain facts, data, and information which we secured for the consideration of this Committee: The Japan Spinners' Association, The Japan Cotton Textile Exporters' Association, The Japan Textile Products Exporters' Association, and The Japan Silk and Synthetic Textile Exporters' Association, all of Osaka, and The Japan Chemical Fibers Association of Tokyo and the Japan Silk Association of Yokohama.

FOR ADMINISTRATION TRADE BILL

Bill's Purpose

As advocates of freer, nondiscriminatory trade in textiles and other merchandise, we believe that the specific purposes of the Administration's trade expansion bill, as stated in Section 101 of the proposed H.R. 17551, are most worthwhile and vital to our national progress: (1) "to continue and strengthen the trade agreements program of the United States", (2) "to establish a viable program of adjustment assistance for firms and workers affected by imports", and (3) "to promote the reduction or elimination of nontariff barriers to trade".

To implement these praiseworthy objectives, the bill provides (a) that the President's authority to enter into trade agreements with foreign countries be extended to July 1, 1970, (b) that the criteria and the procedures for adjustment assistance for individual companies and workers be liberalized and modified, and (c) that the American Selling Price (ASP) system of customs valuation be abolished.

Proposed Amendments

To better assure freer, nondiscriminatory trade, we would urge that the Administration's trade bill be amended to include at least the following provisions:

(1) Authorize the Tariff Commission to accept and consider applications for escape clause and other import relief for individual, single products, and not for a range of products.

(2) Direct the Tariff Commission, or some other appropriate agency, to closely observe the management and the operations of any industry or company author-