rules of trade, a nation restricts imports only at the risk of its own exports. Restriction begets restriction. In reality, 'protectionist' measures do not protect man. In the long run, smaller markets mean smaller profits. (c) They do not any of us: (a) They do not protect the American working man. If world markets shrink, there will be fewer jobs. (b) They do not protect the American business-protect the American consumer. He will pay more for the goods he buys.

"The fact is that every American—directly or indirectly—has a stake in the growth and vitality of an open economic system."

The Secretary of State declared that "Our position as the largest single trading nation underlines our special responsibility to insure that our trade policy promotes continued growth of our own and the world economy. Fortunately, in this area, actions which best advance the welfare of our own people are precisely those which best serve our foreign policy objectives."

As the Secretary saw it, "Our relations with Japan deserve special attention in this context. Here too we see the benefits of a policy with even more explicit links to trade matters. It is difficult to see how we can count upon Japan as a major partner if we had not deliberately fostered—or if we were suddenly to change—a system of world trade which permits Japan's 100 million people to achieve through trade what they could not attain in the narrow confines of their crowded islands. And here, too, our trade policy toward Japan is no give-away. Japan is our largest overseas market, second only to neighboring Canada, and the leading commercial market for the output of our farms. Last year nearly cannot buy from us if we do not buy from them . . . The partnership we have one-third of our $2.7 billion in exports to Japan consisted of cotton, wheat, feed grains, soy beans, and other U.S. agricultural products. The Japanese, like others, nurtured with Japan would be put to a severe test—and it might not survive if we were to adopt wholesale restrictions which would have a serious impact on Japan's ability to make its way in the world."

The Secretary of the Treasury, we understand, submitted a letter for the record in which he indicated that increased trading opportunities would help alleviate some of our most serious economic and fiscal problems, including that involving our balance of payments.

Japan too is troubled by a serious balance of payments problem. Still, over the past 23 years since the end of hostilities and over the past 16 years since Japan regained her sovereignty, with the exception of only three years, the United States has enjoyed a favorable trade balance with Japan. Last year was one of the exceptional years, though the trade accounts were almost in balance. Japan sold the United States almost $3 billion, while buying more than $2.7 billion. Of all the nations of earth, last year Japan was the only one which experienced a favorable trade balance with the United States, and—even for Japan—it was an unusual circumstance.

The Secretary of the Interior, in stressing the importance of freer trade in terms of the natural resources of the country, expressed the hope that there would be more opportunities for the exportation of coal, among other items.

In this connection, Japan imported from the United States some $81 million in coal and coke and $62 million in petroleum products in 1966.

The Secretary of Agriculture proudly claimed that commercial agricultural exports increased from $3.2 billion in 1960 to a record $5.2 billion in 1967. In reporting that his Department was attempting to persuade many other countries to lower their nontariff impediments to American farm products, the Secretary warned that "Protectionism on non-agricultural items can hurt U.S. exports of such goods. And it most certainly will hurt our agricultural exports.

"Japanese-American trade figures will show what I mean. In 1967, Japan sold us $3.0 billion worth of non-agricultural products. Our buying of those products was a big factor in Japan's purchase of $865 million worth of U.S. farm products, making Japan our single biggest cash customer. What would happen if we were to drastically reduce our buying of Japanese non-agricultural products? Japanese officials have told me that under such circumstances Japan almost certainly would reduce its buying of our food and fiber. They also would back off on their substantial buying of U.S. non-agricultural goods, which in 1967 amounted to a whopping $1.8 billion."

In 1967, the total of all Japanese textile exports to the United States including those "restrained" under the Long-Term International Cotton Textile Arrangement (LTA), was $374 million, while Japanese purchases of agricultural products alone from the United States amounted to more than twice that total, or $865 million.