

makes sense that a country like Japan, with practically no raw resources, if she cannot earn the dollars with which to buy American goods, what is she going to do? She just cannot buy any more and this is the proposition which we present.

Mr. BURKE. Are there any further questions? Mr. Battin.

Mr. BATTIN. I think I am sorry that you mentioned Secretary Freeman and what we said because he has been wrong so many times that it doesn't hold much weight.

Mr. MASAOKA. Well, all I can say is, after all, he is the Secretary of Agriculture and if he states this as a fact that he heard and in testimony, I think that I should say that he said it rather than credit it to somebody else.

Mr. BATTIN. Let me reverse the situation a little bit if I may, because you talk about textiles but I represent a part of the country which from time to time sells wheat to Japan for dollars. It wasn't too long ago I had the opportunity while in my district to visit with the buyers that were there looking over the area to see what it was they wanted.

Mr. MASAOKA. Mr. Congressman, may I interject?

Mr. BATTIN. Yes.

Mr. MASAOKA. We talked so much about the tremendous increase of imports to the United States of Japan textiles. Could you imagine just 10 years ago that Japan would be eating so much wheat instead of rice?

Mr. BATTIN. I am glad they are.

Mr. MASAOKA. And that the wheat imports to Japan have increased so tremendously. In other words, there are economic factors in there.

Mr. BATTIN. Let's not get it out of context because they not only shop here; they shop in Canada.

Mr. MASAOKA. That is right.

Mr. BATTIN. They shop in Australia, and when they can get what they want for their mills, they buy at the best price they can get.

Now, if we can't give it to them, they are going to get it from Australia, they are going to get it from Canada, or some other country that can supply their needs at a price they can afford to pay, which is fine. I mean that is a part of the bargaining. That is part of the trade system.

Mr. MASAOKA. If I may make a point there, though, Mr. Congressman—

Mr. BATTIN. Before you do, the point I am trying to make is a long way around but I think it is—unless I misunderstood your statement—you say that the efficiency of the Japanese industry is such that they can produce and sell in our market, taking into account transportation at a profitable rate and that if we can't compete then maybe we should go into something else.

Do I understand you?

Mr. MASAOKA. Yes, but I think it should be pointed out that the relative range of Japanese textiles, for example, in fabrics, is relatively small. A witness before the U.S. Tariff Commission last November with some 25 years of experience in selling fabrics said that only about 10 percent of the fabrics which Japan produces can be exported and sold successfully in the United States.