

In other words, there are things like mass production items and other items in which Japan simply can't compete with the United States.

Mr. BATTIN. If this is true why is it that Japan has such rigid barriers on allowing imports into Japan of U.S. automobiles? We can produce them much better and export them at a profit but we are not allowed to.

Mr. MASAOKA. I am all with you on that, Mr. Congressman. I believe that Japan ought to break down all the barriers and I think the way to do it is to show the way. I think that Japan and other countries ought to be encouraged in every possible way to get rid of their import barriers because I recognize that the American genius for production and innovation will probably be able to export much more given a fair chance.

I am all for that, sir.

Mr. BATTIN. Except I think their Government is concerned that we would be earning too much by way of our export market with the net result being an injury to the economy of Japan.

After all, if this money is coming out of Japan it could be harmful to that particular country and so they have put up some barriers to at least try to develop their own industry. Whether that is right or wrong the decision has to be made by the Japanese Government, but now I asked this question of another witness a couple of days ago representing I believe the Italian importers: (he too was an American citizen and was familiar with the operation of the Government structure in Italy). What chance would an American exporter have to appear before the Japanese Diet to argue his case as you have argued the case for the people that you represent? What opportunity is there for an American businessman in this area?

Mr. MASAOKA. I don't know frankly, but I think here again, sir, because Japan or other countries don't do something should not be a reason for us not to do something.

Mr. BATTIN. That is a point which I worry about because if what many have told us is correct—particularly relating to our own balance of trade, as set up against others—and we are not going to be able to redeem dollars for gold, we will either run out of gold or put a moratorium on redeeming dollars. What position does that put Japan in?

I think they would be as concerned as we are, realizing their reserve currency isn't necessarily dollars, but sterling. They have to be concerned. We do a lot of shipping in Japanese bottoms which is an earner of dollars.

If you take this whole thing out of context and say you are talking about Japan and the United States or any given country and the United States, we are looking at a whole pattern of world trade, at least the free world.

We do have some problems and I don't think you could sit there and say that we don't.

Mr. MASAOKA. I would be the first to say that we have problems. I would be the first to say that we ought to do everything we can to eliminate them, but in terms of trade balance with Japan, since the end of World War II, with the exception of only 3 years, has the trade balance been in favor of Japan.