

Mr. COLLIER. Just one further question. Do you think it would be proper for the U.S. electronic industries to propose exactly the same nontariff barriers that are presently imposed by the Japanese? Do you see anything wrong with this type of reciprocity?

Mr. FEZELL. Sir, would you repeat that. I am sorry. I didn't get the first part.

Mr. COLLIER. I say do you see anything wrong with the United States imposing the same type of nontariff barriers on imports into this country of electronic equipment that are presently imposed on the imports of electronic equipment into Japan?

Is there anything wrong with this type of reciprocity? In other words, if we are going to have trade we merely establish the same barriers, tariff and otherwise.

Mr. McCAULEY. Sir, I would like to answer that if I may. That is one way of course of doing it. But I think that the better way would be to try to get the Japanese to relax their barriers.

Mr. COLLIER. Yes, but what happens in the interim? We talk about reprisals. It seems to me that reprisals for whatever reason are already existent.

Mr. McCAULEY. The Japanese may have the wrong reasons for putting on artificial restrictions on U.S. trade, that is true. It is true that that may be so, but right now the industry we are talking about today is an industry that enjoys a favorable trade balance of \$945 million, with total exports of \$1.8 billion. It seems to me, in a give and take proposition, if we were to respond to the Japanese and they in turn responded and you had a charge and countercharge or a stroke and counterstroke development, then we, having the greatest share of the trade, would suffer.

Mr. COLLIER. Well, of course share of the trade, does it not develop from your equipment that cannot be—

Mr. McCAULEY. Yes, sir; these are U.S.-made products that are made by the electronic industries. They support jobs. They generate profits and these companies are doing business around the world. It is well, I think, to point out here that the industry you have before you this morning differs in marked respect from the several other industries that have appeared before you prior to today and probably after today.

Mr. COLLIER. Of course you are mixing apples with oranges because you are talking about the broad figures. The figures dealing just with the import and export of electronic equipment between the United States and Japan would be quite significant.

Mr. McCAULEY. That is true.

Mr. COLLIER. So stay with the division before us.

Mr. McCAULEY. That is very true, but I would say that in the GATT complex of nations, where we are dealing with a set of trade rules that apply across the board, if one were to try to operate against Japanese products only this would be a significant departure, it would seem to me, from the historic MFN approach and we would probably get in a lot of trouble with other people.

I would just guess that.

Mr. COLLIER. Let's generalize. In 1967, going across the whole spectrum, we imported more than \$3 billion in goods and commodities from Japan while exporting slightly more than \$2.5 billion.