Mr. Hobbs. These imports were coming in before the 50 percent went into effect, but this is a matter of opinion.

Really we have no direct evidence, but many of the orders which were placed last year will not be delivered until 2 or 3 years from now when at least several of the five stages of reduction will have come into effect.

I don't think those reductions alone are of sufficient magnitude to make a major difference, but it all adds up to a difference in the cost of entry in bringing these items into this country.

Mr. Betts. Thank you.

The Chairman. Mr. Collier.

Mr. Collier. The previous witness suggested that it would be preferable to prevail upon our foreign trade partners to remove their nontariff barriers rather than for us to impose reciprocal policies of this nature in our trade relations.

Now you said to us, Mr. Hobbs, in answer to a question that there is nothing in this legislation that would deal directly with the removal of these nontariff barriers.

Mr. Hobbs. Nothing specific, Mr. Collier.

Mr. Collier. Well, I would simply submit that there is, and I might say, being realistic, that we are not going to impose nontariff barriers similar to those that have been imposed by foreign countries, would it not make good sense then to adopt a flexible quota ceiling type of proposal that would at least give us a wedge from which we could negotiate a removal of nontariff barriers?

Otherwise we have no wedge with which to deal with nontariff barriers and certainly the quota provisions in the bill which I introduced would place us in a far more favorable position to put pressure, if you please, upon our foreign trade partners to remove nontariff barriers.

Mr. Hobbs. I am speaking for a group which has not endorsed a quota principle, Mr. Collier, but we as a group have recommended to the Treasury Department and to an interagency group that the U.S. Government at least put itself in the best possible negotiating position in trying to remove these barriers.

We think in our particular case that at least we could say "We are going to review U.S. Government purchasing policy and we would like to talk to you about yours."

Now, at what stage we ought to impose restrictions against purchasing foreign equipment, I don't think we are quite ready to say. But we would certainly like to see the U.S. Government take a firm stand in insisting that foreigners either open up their markets to this equipment or that possibly in the future the U.S. Government agencies are going to stop buying foreign equipment.

But this industry has not yet, and I don't think they will advocate the quota route unless conditions change a great deal for us.

Mr. Collier. I am not suggesting, Mr. Hobbs, that they do and I am not suggesting that this is in and of itself a solution to the problem of nontariff barriers. But I think we all recognize that in order to negotiate and if it is our intent to eliminate some of these practices we have to have a wedge ourselves in order to provide the pressure necessary to remove these nontariff barriers, and it just seems to me that one of the things we can do is to establish a flexible quota