

Mr. BROYHILL. In one of your tables here you point out the difference in the tariff rates between the United States, Japan and the European market. Are we exporting any of these goods to Japan? You showed on one of these charts we got about 65 percent of the imports from Japan. Here Japan has an average of about 100 percent more tariff rate than we have.

Are any of these places that have high tariff rates, the Common Market and United Kingdom, to which we have sent about \$300 million in exports as of 1967?

Mr. STEWART. Let us take a few categories. On television receivers, in 1966 we exported television receivers to Japan of the value of \$264,000 and imported television receivers from Japan of a value of \$106,754,000. Let us take radio broadcast receivers. In 1966 the official statistics of the United Nations, which is the source of these answers, shows zero exports from the United States to Japan and imports of \$135,239,000.

On sound recorders, phonographs, and parts in 1966 the United States exported \$5,331,000 worth of those products to Japan while importing \$78,947,000.

Does that give you the kind of information you want?

Mr. BROYHILL. Yes. In fact these duty rates imposed by Japan are somewhat meaningless even though they are three or four times as high as the duty we impose. If Japan reduced her duties we could not increase our trade with Japan, or could we?

Mr. STEWART. The fact of the matter is that apart from the rate of duty there are structural reasons why it is impossible to export a competitive electronic product to Japan. Business there is done on the basis of trading companies. The trading companies are already locked in contractually with the Japanese manufacturers.

It is difficult for an American manufacturer to get the attention of a trading company because if he has any substantial business or distribution in electronic products based on his Japanese business he will lose it.

Also if you could find an importer who wants to brave all of those difficulties he cannot get an allocation of foreign exchange from his bank for products that are directly competitive with Japanese industry. This is a matter of practice, not formal Government regulation.

Mr. BROYHILL. Thank you.

The CHAIRMAN. We thank you, Mr. Stewart, and those at the table with you for your testimony.

Mr. STEWART. Thank you, Mr. Chairman.

(The following telegrams were received, for the record, by the committee:)

NEW YORK, N.Y.
July 12, 1968.

Hon. WILBUR D. MILLS,
Chairman, House Committee on Ways and Means,
Washington, D.C.

As a member company of the parts division of the Electronics Industries Association, we hereby disassociate, repeat disassociate, ourselves from the statement of Eugene F. Stewart in behalf of the parts division of EIA in support of quotas on imports of electronic articles made to your committee on June 25, 1968, during the hearings on H.R. 17551. Please insert this telegram in the record of these hearings immediately following Mr. Stewart's statement.

MICHAEL BLUMENTHAL,
President, Bendix International, The Bendix Corp.