

Mr. ADAMS. I don't think it is unfair, but in a sense we are a very rich nation in terms of the amount of exports we have versus imports.

I think most of the foreign countries looking just at our export-import situation regard us with great envy, and their economies are weaker, their trade balances are more difficult, and I think if we start asking for too much in the overall balance between nations that we may come off worse.

Now, I think we have to continue to try to trade this out but I think we always have to, in viewing this, look at the economic posture of some of these foreign countries, the problems that beset them, and therefore proceed with some patience.

For example, if we attempt to set import quotas against the United Kingdom, which is in severe economic difficulties——

Mr. SCHNEEBELI. Let's take Japan.

Mr. ADAMS. If you take Japan you are dealing with a very——

Mr. SCHNEEBELI. Aggressive.

Mr. ADAMS (continuing). Strong nation both in technology and productivity, its work force and all the rest of it, and I would hope that as relationships between Japan and the United States are developed that they will be more open. They have enormous markets in the Far East open to them.

The U.S. market is very important to them of course, but they have other markets and other opportunities and I would hope that their situation would open up gradually to allow us to import more to Japan.

Mr. SCHNEEBELI. Our conversations with them up to this point have been rather negative and when we asked them when they were going to eliminate some of these restrictions they told me personally possibly they might think about it in the next 5 years.

Are we going to wait 5 years to be outraded and do you think it is unfair for us to raise the same artificial barriers as they have against us during this 5-year interval?

Mr. ADAMS. In the case of Japan I tend to agree with you to a greater extent. I am a firm advocator of the greatest amount of free trade possible. I believe everybody gains by this and I think there are lots of examples to point it up, but in the case of Japan they have an extraordinarily effective economy in many areas outside of electronics and we don't have to have the same reservations that we may with respect to the English, or the French, or others who are having difficulty.

Mr. SCHNEEBELI. Mr. Adams, some of the members of this committee believe that in being tolerant and liberal and cooperative with some of our trading partners we are being taken over and we want to know what we can do to equalize this situation.

Mr. ADAMS. I am not really familiar enough with the give and take on the diplomatic battlefield to be able to make specific suggestions that I would like to be able to.

In my own company we have had considerable experience with selling highly sophisticated pieces of equipment where the technology of this country was superior to that available in the other country and it was on that basis that we were able to make sales.

These things were, if not in military areas, in areas such as airline operations, which are offshoots of the government in some of these countries, where they were open to accepting American equipment.