

This has been true in Japan and in those circumstances we have had no difficulty, but they certainly do regulate what we can do there with great care and I think some possible threat in the case of Japan more than in any other place, not threat exactly, but some sort of a trading posture, might be useful.

Mr. SCHNEEBELI. I am glad you agree with our dilemma.

Mr. ADAMS. I am sure there is a dilemma.

Mr. SCHNEEBELI. Thank you.

Mr. BURKE (presiding). Are there any further questions?

Thank you very much, Mr. Adams. Your testimony has been very helpful.

Mr. BURKE. Our next witness is Mr. Richard Hodgson.

Mr. FULTON (presiding). Mr. Hodgson, the committee is very glad to have you today and for the benefit of the record will you please identify yourself?

STATEMENT OF RICHARD HODGSON, VICE CHAIRMAN, BOARD OF DIRECTORS, FAIRCHILD CAMERA & INSTRUMENT CORP.

Mr. HODGSON. Thank you, Mr. Chairman. I am Richard Hodgson, vice chairman of the board of directors of the Fairchild Camera & Instrument Corp. I appreciate the opportunity to be able to come and talk before this committee today because we feel very strongly on this subject.

Fairchild is primarily a manufacturer of electronic products and it not only makes various types of electronic components but also produces specialized instruments such as automatic test systems and digital voltmeters and graphic equipment such as electronic photo composition devices and color scanners, all of which we do a fine export business with.

In my prepared statement which I will submit for the record I have dealt with the economic and political problems posed not only by import quotas and import ceilings but by import surcharges and rebates and by direct investment controls.

The fact that this committee has acted favorably on the 10-percent tax surcharge and budget reductions I think has been a major step forward in meeting some of the basic problems which this hearing, as I understand, is being aimed toward. Because of the limited time I have to talk about some things we are basically interested in in Fairchild I would just like to offer my views on the effects which import quotas and ceilings would have on an American industry in general and particularly on the electronics industry.

It is the judgment of Fairchild Camera & Instrument Corp. that these various import-restricting proposals run strongly counter to our best interests as the world's foremost trading Nation. Their thrust is inconsistent with the basic principle that expanded trade with a concomitant increase in U.S. exports is not only a fundamental premise on which our international economic position must rest but an essential foundation for the political and economic stability of our various trading partners.

You have already heard a great deal about the electronics industry, its makeup and size, so I will not take up your time with a detailed description of it. I would like to add only a few comments in addition to those you have already received.