



NEWS from U.S. Senator Bob Dole

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DOLE SAYS JAPAN'S POSITION ON TRADE 'ILL-ADVISED'

WASHINGTON -- "Yesterday's announcement by Prime Minister Ohira of Japan that his government will not make further trade concessions to the United States is untimely, ill-advised and provocative," Sen. Bob Dole (R-Kan.) said today.

Dole, ranking Republican on the Senate Finance Committee, said, "It is untimely in light of Prime Minister Ohira's forthcoming visit to Washington and the pending economic summit to be held in Tokyo. The announcement will certainly polarize positions and make compromise more difficult, if compromise can now be reached at all.

"It is ill-advised because for the past few years we have been bending over backwards to reach, gradually and diplomatically, a mutually acceptable arrangement by which our completely unacceptable trade imbalance may be corrected. We have been rather meek in our demands considering this imbalance. To simply seek reciprocal tariff cuts and equal reductions in non-tariff barriers between our countries is not asking too much. Under the current circumstances, we would be entirely justified in simply demanding, on a non-reciprocal basis, concessions from Japan.

"Despite our \$12-billion trade imbalance, Japan still maintains unjustifiable import quotas in violation of international agreements, import cartels, government subsidies, and a bureaucratic mechanism that effectively establishes a "Fortress Japan" by restricting imports. They have been surprisingly intransigent in making adjustments in their non-tariff barriers. Their unwillingness to open their government procurement to any meaningful extent exemplifies the problem.

"The prime minister's announcement was provocative because it has provided a hot wind that will intensify the fires of protectionism in this country. It is unfortunate that the Japanese have failed to recognize the danger that this trade problem poses. Not only are our trade relations at stake; our political alliance is becoming jeopardized. If the situation continues on the path that the Japanese appear to have chosen, I fear a legislative backlash in terms of trade laws that will be difficult to balance in the long term.

"I believe that the Administration's position in this matter is the right one. In fact, I am sorry our negotiators didn't toughen-up sooner. By taking a strong position early in the trade negotiations, we might have clarified for the Japanese that they were going to have to make significant concessions to balance the trade flows. Perhaps the tensions we are now facing could have been avoided. As it is, we have finally taken a stand. I support this action. But the Japanese should be on notice -- unless some resolution of this conflict can be worked out diplomatically, it may be necessary to take legislative action that may be much more strenuous than a diplomatic settlement of our problems."