

## EXTENSIONS OF REMARKS

HONORING THE ST. JOSEPH  
HONOR CHOIR

**HON. PAUL E. GILLMOR**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 13, 1995*

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to an outstanding organization located in Ohio's 5th Congressional District. The St. Joseph Honor Choir of Fremont, OH has been selected as one of only two choirs to represent the United States at the Pueri Cantores International Congress in Quebec, Canada from June 28 to July 9, 1995.

This is an honor for the choir to be Goodwill Ambassadors of the United States to an International Congress of this magnitude. St. Joseph Honor Choir is a proud member of Pueri Cantores. This international organization of children choirs, the name means little singers, has a world wide membership of over 25,000 children and encompasses such internationally renowned choirs as the Sistine Chapel Choir, the Vienna Boys Choir, and the Golden State Boys Choir and Bellringers of San Francisco, who hold the honor of also representing the United States at the Congress.

The St. Joseph Honor Choir consists of 43 children and 16 men. The Choir's repertoire is classical, religious, and secular music. Established in 1993, the Choir has quickly made a name for itself. The 1994-95 year has been and will be a very active and exciting year for the Choir. It began in November when the Choir hosted La Maitrise De Cap De La Madeline, which is recognized as one of the top children choirs in Canada. In December 1994, the St. Joseph Honor Choir went on its first mini-tour to Pittsburgh, PA. Also during the holiday season, the Choir performed for many church and civic organizations throughout the Fremont area. The Choir performed at numerous choir festivals, churches, and organizations throughout Northwest Ohio during the Spring season.

Mr. Speaker, it is obvious that the community and the members of the Choir have greatly benefited from the effort that was started in 1993. I ask my colleagues to join me today in recognizing the achievements of the St. Joseph Honor Choir and encourage them to continue to uphold what has become a standard for excellence.

THE PRESIDENT IS CORRECT  
REGARDING JAPAN

**HON. BARNEY FRANK**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 13, 1995*

Mr. FRANK of Massachusetts. Mr. Speaker, President Clinton deserves great credit for his insistence that the Japanese stop being so restrictive regarding products from overseas.

The great imbalance in trade between the United States and Japan is significantly exacerbated by restrictive Japanese practices, and President Clinton is to be congratulated for his unwillingness to simply allow business as usual—which for us in Japan has meant very little business.

For most of the post war period, the United States has put our geostrategic interests ahead of our own legitimate economic needs in dealing with our wealthy allies. That was appropriate when these allies were struggling to emerge from the doldrums of the post war period, and when we all confronted a powerful Soviet Union. Today, it is entirely legitimate for the President of the United States to be assertive about legitimate American economic interests vis-a-vis these wealthy nations. The response for many in the foreign policy establishment has been critical of the President for this legitimate defense of America's interest, and many economists have also—reflexively in my judgment—criticized the President for insisting that Japan follow rules which allow free competition within that country from overseas products.

In the New York Times on June 10, Lawrence Chimerine and James Fallows made a very strong case for the kind of action the President has taken. These two distinguished scholars know a great deal about American/Japanese economic relations, and think their strong support for the President's position should be printed here because of the great light it sheds on this controversy.

JAPAN DESERVES A TARIFF

(By Lawrence Chimerine and James Fallows)

WASHINGTON.—Although European and Asian governments have complained about the Clinton Administration's regrettable but justified proposal to place tariffs of 100 percent on 13 Japanese-made cars, most agree that Japanese trade barriers threaten the world trading system.

Debate in America on the issue has been more primitive. Many free-market economists, some pundits and lobbyists for Japanese and for some European interests question whether there is even a problem to be solved.

Mercifully, most have spared us the old argument that simply driving down the value of the dollar will eliminate trade imbalances. The dollar has lost two-thirds of its value against the yen in the last decade, yet trade between Japan and the United States has been remarkably unchanged, even though American products are much cheaper.

But we are hearing equally tired assertions, which rest on a misleading appearance of economic sophistication. The principal claim is that Americans import too much and save too little and that the Japanese do the reverse. But this supposed insight into the trade imbalance does not tell us which is the cause and which is the effect.

Most economists take it for granted that our low savings rate causes chronic, large trade deficits, because when we spend too heavily, we inevitably buy huge quantities of foreign goods. Yet it is just as proper to argue the reverse—that the large trade deficits caused by artificial barriers to American

exports help create the low savings rate. This happens because reduced exports to, say, Japan mean smaller payrolls and profits at home. With less money earned, less is saved. And less is paid in taxes, driving up the Federal deficit and further depressing savings (because the Government borrows to finance the deficit).

The existence of formidable Japanese trade barriers is indisputable. Studies by the Economic Strategy Institute and other research groups estimate that if Japan's markets behaved like those of other industrialized countries, Japan would import up to \$200 billion more in goods each year than it now does; of this, almost \$50 billion would come from the United States.

The United States should raise its savings rate to limit reliance on foreign capital and to encourage productive investment—the key to vigorous long-term growth. But even if we do, we are likely to have a trade problem with Japan unless Japan changes. South Korea and Singapore, whose savings rates are even higher than Japan's also have large trade deficits with Japan.

Another faulty assertion in the debate over imposing a punitive tariff on Japan is that we're only hurting ourselves. Some claim we should keep our markets open regardless of what anyone else does because any other course would hurt American consumers.

They ask, Why should we punish ourselves by paying more for a Lexus or an Infiniti? And they say, if the Japanese or other Asians want to penalize their own people by running a closed economy, that's their problem. We'll enjoy the benefit of bargain-priced goods.

But Americans need jobs and income to buy even bargain-priced goods. Countries that combine closed markets with aggressive exporting to the United States effectively cut the number of good American jobs and thus consumer income. Closed foreign markets also inhibit our producers from investing, supporting research and development and creating new jobs.

A third argument against the tariff on Japanese luxury cars is that American car companies brought their problems on themselves by being lazy and greedy and not making cars suitable for Japan's left-side driving. This is the oldest red herring of all. Our auto producers make millions of right-hand-drive models for other left-side markets like Britain's.

The real issue is the cartel-like structure that ties Japanese parts makers, auto companies and dealers together in networks that are hard for outsiders to penetrate, no matter how attractive their products are.

In the auto parts business, there is no question of "wrong side" spark plugs, microcontrollers or piston rings. At current exchange rates, many American-made auto parts sell for one-third the price of Japanese-made items. American-made parts are of such high quality that the nation has an auto-parts trade surplus with Europe, where they are heavily used by BMW, Mercedes and other demanding manufacturers.

Nonetheless, American parts have captured only 2 percent of the Japanese market. And Japanese-owned auto assembly plants in the United States use at most only 50 to 60 percent American-made parts.

Finally, the silliest assertion is that the Administration's tariff might lead countries

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