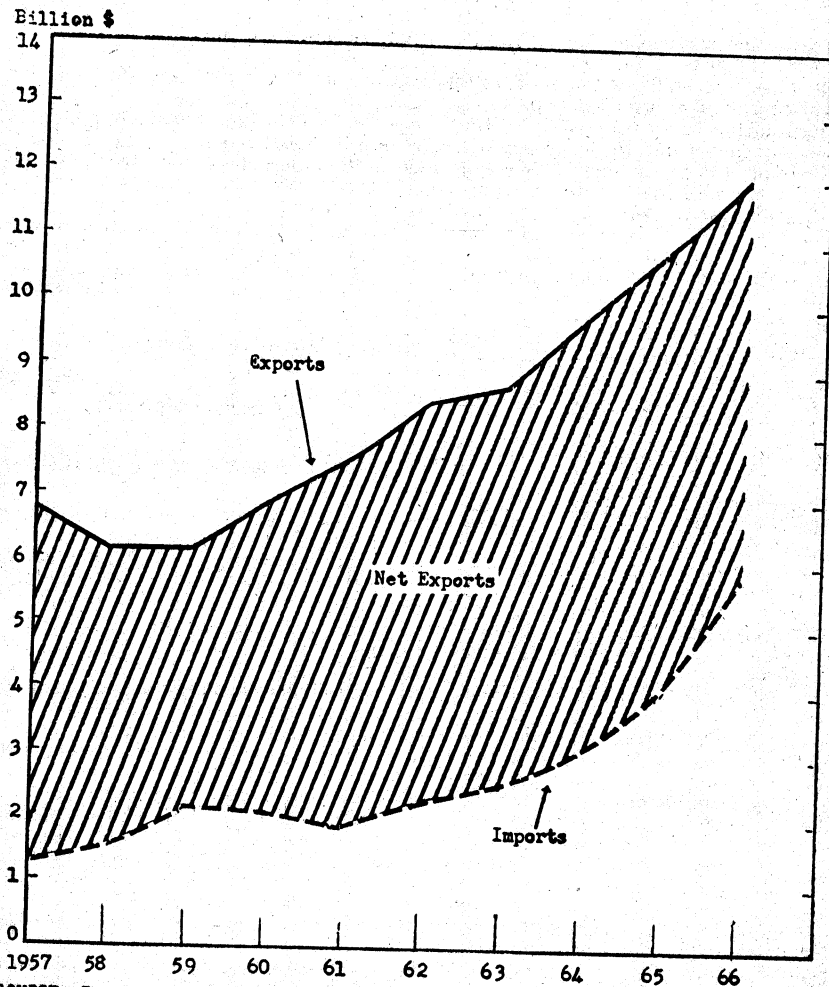


ment, and many kinds of fabricated metal products—which make up the backbone of our exports of manufactured goods, contain a great deal of additional American labor in high wage industries. Some of these workers in fact are members of the United States Steel Workers of America.

Finally, I wonder if the Table presented by Mr. Abel doesn't have problems in its attempt to calculate a balance of trade simply for the steel contained in end-use products. This is because no business is transacted in the *steel* contained in end-use items. Obviously, it is the end-use items themselves which flow in world trade. In selling these items, too, much more is sold than the steel contained in them. Perhaps more importantly, United States exporters of steel-containing end-use items sell value added by labor—high skill, high wage labor—engineering, research and development and very high amounts of human capital in the form of management and marketing skills.

Value of U. S. Foreign Trade in End-Use Items Containing Steel, 1957-1966



SOURCE: Basic data, Bureau of Census

U.S. Department of Commerce, Office of Business Economics