Professor Sohmen also concluded that "Apart from the pronounced difference in their flexibility, the difference between the absolute levels of steel prices is quite remarkable. With the sole exception of cold-rolled sheets, steel export prices in the United States were up to 30 per cent higher than in the ECSC during the early 1960's. As noted with much chagrin by the High Authority in its 15th *Annual Report* (1967), Item N. 195), steel prices in the common market were about the same as in 1953 while they had risen by an average of 40 per cent in the United States and also in England whose steel industry is notoriously uncompetitive. In the late 1950's, at a time when its own steel-producing capacity was seriously underutilized, the United States turned from a net exporter to a net importer of steel. Even rising imports did not prompt American steel producers to reconsider their price policy in order to recapture markets and to permit a fuller use of idle capacity." (Testimony before the Senate Antitrust & Monopoly Subcommittee, April 1968).

In short, all available evidence indicates that steel is losing domestic markets to substitute materials and imports, and world markets to foreign producers, because it has chosen not to be price-competitive. By a strange inversion of logical decision making, it has decided to meet competition by *raising* prices—and doing so persistently.