

serious it becomes to our domestic economy. At the same time, each month we delay in establishing sensible quotas, the more serious the impact on the economies of other steel-producing countries will be when we come to the establishment of some restraints, as we inevitably must.

There are some who believe that the superior technological know-how of this country can overcome the cost disadvantages under which our domestic steel industry operates due to the high standard of living of our Nation. This is wishful thinking. Most foreign steel plants are as modern as our own and the productivity of their steel workers, which for years has lagged behind ours, is catching up. They have improved the availability of low-cost raw materials so that advantages once enjoyed by the domestic steel industry on that score are now of little consequence. Furthermore, steel technology, like most technology, is international in scope. Improved methods which may yield advantages for one country are soon recognized and adopted by others. These are hard facts to face, but we cannot afford to ignore them.

Some economists have castigated proposed restrictions on imports on the basis of the so-called principle of comparative advantage. This principle holds that a nation which has the most favorable combination of conditions, materials, and labor to produce any given product should be permitted to do so without restraint by artificial factors such as tariffs or quotas. The bright new world in which this principle can be universally embraced is not yet with us. We cannot, in these days, jeopardize our supplies of essential materials such as steel to experiment with the practical application of theoretical principles. Edmund F. Martin, chairman of American Iron & Steel Institute phrased it very well when he said:

In a permanently peaceful world where all markets are equally open to all comers and sources of supply are never threatened, this might not matter. In today's dangerous and confused world, it matters a great deal.

With this viewpoint I heartily concur and I urge your favorable consideration of the legislation which I have introduced in full support of this position.

The CHAIRMAN. Are there any questions? If not, then thank you Mr. Ruppe, for sharing your views with us.

Mr. RUPPE. Thank you, Mr. Chairman, for listening to me.

The CHAIRMAN. Our next witnesses will be Mr. Patton and Mr. Abel. Will you please come forward? Mr. Patton is with the American Iron & Steel Institute and Mr. I. W. Abel is president of United Steelworkers of America.

Permit the Chair to take occasion to call attention to the high degree of cooperation that the committee has received from representatives of the steel industry, both employees and management, in the coordination of the testimony that they will present to the committee. This is an example that I hope other industry groups will be willing to follow.

It is a real pleasure to have you gentlemen with us this morning and we are pleased to note that there are many things, at least which come to the attention of the Ways and Means Committee, about which you gentlemen are in complete accord.

You are recognized, Mr. Patton.