

The compulsion to export is dramatically revealed by a news release in the January 11, 1968, issue of the "Japan Metal Bulletin," which I submit for the record with my statement.

(The information referred to follows:)

OBLIGATORY STEEL EXPORT SYSTEM BEING RECOMMENDED

As the basic measure to improve the foreign exchange balance when tight money policy is being enforced domestic accompanying the pound's devaluation and import control policy in America originated in dollar protection, the iron and steel industry is planning to provide obligatory export quota to steel, the tonnage allocated to be 10% over the actual exports in the current fiscal year, with export target in the next fiscal year raised to over 12 million tons.

Those companies that fail to export the allocated tonnage will get less coking coal than they want to get delivered, or will be penalized by ¥10,000 (\$28.00) per ton covering the balance unexported.

In parallel with the enforcement of the foregoing proposition, the Japanese steel industry is to demand guaranty by Ministry of Finance and M.I.T.I. in connection with the restlessness centering around pounds and dollars.

Mr. ABEL. The bulletin declares that—

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ACCELERATED INVESTMENT

Furthermore, the U.S. steel industry, as indicated by Tom Patton, has embarked upon a program of rapid technological development. I note that our academic community has been critical of the past decisions of the industry. How justified those criticisms are I leave to your judgment. But those are past decisions that have no weight now. Actually, as a union president, I must begin to think about the rapidity of the investment which is at the rate of approximately \$2½ billion a year.

(a) *Employment impact*

The more recent acceleration of steel imports has come fortunately at a time of an extended boom in the American economy. Steel production in 1967 was 127 million tons. Despite this increase production, however, steel employment has substantially declined.

In 1952, steel production stood at 93 million tons and employment at 545,000 workers. Employment in 1967 was only 424,000 workers, 121,000 less than in 1952, although production had increased by 34 million tons. Of course, this is the result of increased productivity and is an economic factor decreasing the need for manpower in the steel industry regardless of the import situation. However—and this I stress—without the increased demand for steel accompanying our present economic growth, the impact of automation on steel employment would have been intolerable.

According to Professors Adams and Dirlam, longrun decreases in employment are due to increases in productivity and not to increases in imports. But this is true only because the foreign penetration of our growth in steel demand has begun to reach alarming proportions just recently. If, however, foreign producers had penetrated our markets