

more job opportunities for American workers. However, such a relief program cannot be a substitute for a more basic solution to the problems facing the steel industry.

Within the framework of an expansionary trade policy, we must now grapple with the question of a balanced trade development. It is that task which Congress must face, and it is one which this union is completely convinced must be done now—this year, 1968.

Thank you, Mr. Chairman.

Mr. HERLONG. Thank you, Mr. Abel. Are there any other witnesses at the table who have statements? Are there questions? Mr. Burke will question.

Mr. BURKE. I want to commend both of you gentlemen for your statements and I believe you hit the nub of the problem here. Most people opposing some of these bills that are before the Congress are attacking the Congress and charging them with being protectionists, and I was one of those who voted for the trade bill back a few years ago, but I think that you gentlemen have pointed out that you are not asking for a shutdown on imports or a cutdown on imports.

What you are asking for is an orderly marketing procedure on the part of these countries and not have them expect to glut the market with their products to the extent that we destroy our own basic American industries. Is that true?

Mr. PATTON. That is true, Mr. Congressman. As far as the industry is concerned we recognize that there is a share of the American market that should be open to foreign competition. We say that that share has now reached its highest level and that any growth now from there on should be up or down with the requirements of the economy just as the growth of the domestic steel industry is based on that requirement.

We are not asking for any rollback whatsoever, beyond what is in the bill.

Mr. BURKE. Thank you. That is all, Mr. Chairman.

Mr. VANIK. Mr. Chairman.

Mr. HERLONG. Yes, Mr. Vanik.

Mr. VANIK. Mr. Chairman, I would like to ask, within that limitation of import quotas that you seek, whether or not there is a general classification. You don't seek any special identification within that 10-percent limitation?

Mr. PATTON. We think that the historical pattern should be related both to the total tonnage imported and to the type of products imported and to the ports of entry, the areas that have been penetrated. All three factors should be considered in the legislation.

Mr. VANIK. But there would be free competition within that 10 percent.

Mr. PATTON. There certainly would.

Mr. VANIK. In all lines and in all product lines.

Mr. PATTON. There certainly would, Mr. Congressman.

Mr. VANIK. I would like to point out one other thing, Mr. Chairman: that American industry, steel and all the other industries, carry an over-write expense in taxes in maintaining an army in both Japan and in Germany, a defense structure which is paid for out of the profits of American operations.

This is an over-write expense and industries in those two nations as well as other nations in the free world. Most steel producing coun-