

If you can come up with some more cogent and concise arguments in this regard, I would be very interested in receiving them prior to the time that we take this matter up in executive session, because it certainly is going to be one of the very difficult decisions we are going to have to make, as to whether we can proceed with one industry or whether we are going to be forced, if we do take action in this area, to deal in terms of general legislation covering a multitude of industries.

Mr. PATTON. Mr. Congressman, we would be very happy, and I beg leave of you now for permission to file with you a statement on the very subject which you have just been talking about.

Mr. ULLMAN. Mr. Chairman, I would suggest that we hold the record open for such a statement.

Mr. HERLONG. Without, objection, the record will be held open for that statement of Mr. Patton. Thank you.

(The following information was received by the committee:)

"UNIQUENESS" OF STEEL—RESPONSE TO QUESTION BY CONGRESSMAN ULLMAN

The situation of the steel industry in respect of import legislation can be differentiated from the situations of other industries in the following respects:

1. Steel, as a basic material in machinery, construction, transportation facilities and other essential commodities and services, is vital to the continued functioning of the economy.

2. Our military strength depends on the ready availability of steel products of many kinds as components of both military hardware and the industrial complex which produces and transports military equipment and supplies. The emergency planning of the Executive Departments contemplates that non-contiguous supplies of steel would be cut off in the event of a general, non-nuclear war.

3. The kinds of steel required for both military and civilian uses are constantly changing and can be met only by sustained research and development activities. These, in turn, can be supported only by a growing and profitable domestic industry.

4. The construction of steel producing facilities involves lead-times of up to three years, large amounts of capital and capital goods, and substantial forces of engineering, supervisory and construction workers. All these are in short supply at times of national emergency. Hence, deficiencies in productive capacity resulting from gearing steel plant capital expenditures to static or declining markets cannot be overcome quickly.

5. Imports of steel mill products into the United States are facilitated by the policies of foreign governments which recognize the unique importance of steel to a modern, industrial economy and stimulate the growth and development of their steel industries by encouraging them to export.

6. No other major industrial country (including Western Europe, Japan and the Soviet Union) has net imports of steel mill products much above 5% of its total supply. Ours are now running in the vicinity of 15% and the trend has been steadily upward.

The foregoing points are developed in detail in the paper entitled "Steel and the National Security," which Mr. Patton introduced as an exhibit at the hearings on June 18, 1968.

Mr. HERLONG. Mr. Schneebeli.

Mr. SCHNEEBELI. Mr. Patton, the Office of Emergency Planning has been established to look out for the welfare of those industries whose future survival is considered to be in the interest of national security. I understand at the present time that only one basic industry is qualified for the quota system that has been established by the OEP.

In the light of your testimony and your discussion of the national security aspects, has the steel industry made any exploratory approach