

or bilateral agreements limiting imports to 9.6 percent of the average amount of steel consumed in the United States during the 3-year period preceding each quota year. Product and country of origin limitations would also apply based upon their percentage share of total imports during the 3-year base period. For countries which do not enter into agreements with the United States as provided in the bill, imports would be limited to a percentage of recent consumption equal to the percentage of consumption supplied by that nation during a longer base period, 1959-66. This method of limiting imports would permit countries now supplying part of our requirements to participate in the growth of our market, but not to absorb all of the growth and even more. After 5 years the Secretary of Commerce would review the program and recommend to Congress the continuation, modification, or termination of quota relief.

Present conditions, including wage disparities and government policies, do not permit competition among the steel producers of the free world on a comparatively equal basis. A means must be developed to arrest the growing penetration of the American market to prevent the domestic industry from being seriously weakened, our national security put in jeopardy, our balance of payments increased, and domestic employment substantially reduced. While I think S. 2537 would achieve these results, and the method for limiting steel imports in the bill has the support of the steelworkers' union, I would also heartily support any effort our Government can make to establish voluntary restrictions on the exports of steel mill products from Japan and the European Economic Community to the United States.

If it is possible for the U.S. Government to take the lead in persuading the major steel producers to voluntarily limit their exports to this country to an amount which represents a fair share of the American market, in line with recent experience, then this would serve the purpose of preserving an adequate share of the domestic market for our own industry to permit it to continue to expand and to invest in research and development. This is what all of us want to see. We want to eliminate the danger to our national security, to our balance of payments, and to our domestic industry. I would caution, however, that foreign producers, like our own, are not in the habit of reducing their market opportunities simply out of sympathy for a competitor. Voluntary restrictions are only likely to come about, and remain in effect, so long as there is a credible threat that our Government will act to prevent further increases of imports that are not in proportion to increases in our domestic market.

I strongly urge that we move forward with S. 2537, or the companion bills here in the House, and I want to thank the committee for giving me this honor in appearing before it.

Mr. HERLONG. Thank you, Senator.

Are there questions?

Mr. CURTIS?

Mr. CURTIS. Yes. First, I want to compliment Senator Hartke not only for his statement, but the work he did in getting this study made by the Senate Finance Committee.

There is one item, however. Your statement I agree with, but you interjected the fact of the loss to the economy of jobs and wages from imports. This is, in my judgment, hardly a compelling argument in a