

supply. There is thus considerable pressure upon the Japanese producers to increase exports, at dump prices if necessary.

THE LEGISLATION PROPOSED BY THE ADMINISTRATION IS INADEQUATE, IT WILL NOT SOLVE THE PROBLEMS OR ELIMINATE THE INJURY CAUSED BY INCREASING IMPORTS

The legislation proposed by the Administration is inadequate. Changing the language of the present act from "have caused" to "have been a substantial cause" will not save our domestic steel industry from the adverse consequences of imported steel. First it is doubtful that this change will have any significant effect on the ability of affected companies or employees to be compensated for injuries caused by increased imports. It will not compensate a region for the loss of a business serving that region. The national defense of this country will be seriously impaired by any significant reduction in the number of operating steel mills whether or not such mills and their employees are compensated by reason of the injury to them resulting from increased imports. The administrative cost of the program proposed by the Administration will be far greater than would be the administrative cost of regulating imports on a regional quota basis.

THE NEED IS FOR REGIONAL RATHER THAN NATIONAL QUOTA LEGISLATION

We believe that the case has been clearly made for regional quota legislation. A national quota system will not adequately assist the independent mills, especially those located in the coastal regions. The large national mills marketing throughout the United States and particularly in the mid-west area, where competition from import steel is the least, may feel that national quota legislation is adequate. The reason for this is shown in the following table:

Market area	1967	
	Percentage of total U.S. consumption	Imported steel as a percentage of total consumption in market area
Western region (Pacific Coast and Mountain States).....	8	22
South Central or Gulf States.....	14	18
Atlantic Coast States.....	25	15
North Central or Midwest States.....	53	5

The Mid-West states are the most difficult for imports to penetrate because to a large degree the states involved are inland and inaccessible to cheap water transportation. Because this is the region of major consumption it is also the region where many of the large major mills are located. When these major mills look at the various regions of the country their major concern is with this Mid-West region because it represents 53 percent of the national steel consumption. Naturally these major mills are not as concerned with the West Coast region as it only represents eight percent of their national market. I would like to point out that as far as we are concerned the western market represents 100 percent of our market and as a result it is a life and death matter to us. We cannot lose an ever increasing percentage of this market and survive.

Because of this situation you can see why the Independent mills located in coastal regions feel so strongly about regional as distinguished from national quotas. To us as Independent mills on the west coast a national quota will not allow our western steel industry to operate at profitable levels. It should be pointed out that if a national quota is used the west coast will continue to receive well over 25 percent or more of its steel consumption from imports while the mid-west region which is the largest consuming area will only receive approximately five percent of their consumption in the form of imports. We feel that this disparity is too great and would bring about a geographically, unbalanced steel industry in the United States, to the injury and detriment of the nation. There is precedent for establishing quotas on a regional rather than a national basis. Oil and meat imports are now subject to quotas established on a regional basis.

In conclusion, and as previously stated, we recommend and urge the adoption of regional quota legislation. It is essential that it be adopted *now* instead of later.