activity of our company and its subsidiaries is the export of steel scrap, international trade in scrap and ore, and the shipping of ore. Our company has engaged in this world trade for 20 years and I have been in the business for 47 years.

I am appearing before you as chairman of the Scrap Industry Trade Policy Council, which speaks for those firms in the United States that export iron and steel scrap plus some 300 iron and steel scrap processors who, because of the depression in the industry, have to rely on exports to continue in business.

With your permission I would like to file my complete statement for publication in the record of these hearings and will make a brief oral statement summarizing the position of the Scrap Industry Trade Policy Council.

The CHAIRMAN. Without objection your statement will appear in the record, Mr. Neu, following your oral statement. You are recognized.

Mr. NEU. My general purpose in testifying today is to oppose any unilateral restrictions in trade between nations and to support the Trade Expansion Act of 1968 submitted to Congress by President Johnson on May 18, 1968.

My specific purpose is to oppose the proposal that has been made for import quotas for iron and steel.

Since our Council experience relates primarily to international trade in iron and steel scrap my testimony is limited to these areas. For the benefit of those members of this committee who are not familiar with our industry, let me say that our 1,500 companies convert iron and steel into raw material used by steel mills and foundries in the production of new steel.

Unfortunately, there has been a steady decline in the proportion of scrap used in making new steel. As the result there has been lessening of demand for our products in the domestic market. There also has been increasing spiraling of railroad freight rates on scrap making it economically impossible to move the products over long distances by rail.

This has meant that our process must rely increasingly upon the export of products in order to stay in business. Troubled with the drop in domestic demands and higher transportation costs there has been a dramatic increase in the supply of domestic scrap, increased automobile production for example resulting in some 7 million vehicles annually being thrown into the national junk heap and littering our cities and countryside.

All of this has produced an economic depression in our industry. Prices of some scrap have dropped more than 50 percent in the last 10 years. Many of our yards are being forced out of business. Despite this, let me make it clear that unlike the steel industry we are not asking for government control.

Foreign steel mills have been almost the sole outlet for American obsolescent iron and steel on the west Coast, Gulf coast, and Atlantic coast with the exception of some small areas.

Exports have been our lifesaver. Without the export rate scrap prices would be at an even lower level than today and our producers would have been forced to close shop.

Last year we exported 7½ million net tons of scrap. This produced $245 million on the plus side in the balance-of-payments.