Members of this Committee should know that we are busy promoting and selling our product all over the world. Last year, in 1967, we shipped to the following countries.

Country:	Net tons
Argentina	22,287
Benelux	2,322
Canada	542,373
France	13,510
West Germany	1,142
Italy	217,139
Japan	5,300,261
Korea	306,757
Mexico	747,280
Spain	85,150
Taiwan	83,076
Total	7,504,177

Gentlemen, though the figures I have given you on our exports indicate a healthy and vigorous trade, with 1967 being our best year since 1964, the possibility that this country will adopt a quota system on steel imports has already had an impact on our business.

Japanese mills are playing it safe and reducing their buying and their inventories of U.S. scrap.

In the first four months of this year, from January through April, our exports dropped 656,371 net tons over the same period in 1967.

Our four month shipments in 1968 totaled 1,745,564 tons.

During the same period the year before, we shipped 2,401,935 tons.

It appears to us that as prudent businessmen, the Japanese steelmakers are keeping their inventories low in the event that they may have to cut their production.

It is a straw in the wind.

Many other U.S. industries may also suffer if the Congress acts to provide an umbrella for the domestic steel industry. Though it is far afield from our business, I wonder if the U.S. companies who use imported steel to manufacture products sold abroad will be able to remain competitive in the marketplaces of the world. And I wonder what the impact will be on steel service centers or steel distributors who have been buying foreign steel for their customers here at home.

THE STEEL INDUSTRY'S DOUBLE STANDARD

We realize that import restrictions on foreign steel have been a fond dream of some domestic steel producers for many years. The reasons are obvious. The most important limiting factor in prices and profits of domestic steel producers have been the competition afforded by imported steel.

We who are concentrating in the export field recognize steelmakers are the biggest of customers of the entire industry. We exporters want the domestic industry to prosper, for the scrap industry could not prosper unless there is an economically viable steel industry in this country.

But at the same time, we know something about our customer.

We know that in order to compete effectively in world markets it is essential that the domestic steel industry move rapidly ahead in steel technology which will match the technical advances being achieved abroad.

Take, for example, the steel plants which were built in the United States immediately after World War II. In order to compete effectively with the latest plants in Japan and elsewhere, it is essential that the best of American "know-how" and American technology be used to the hilt.

We can hardly expect capital improvements of this kind to be made if our industry were to be afforded Government protection against competition. Yet it is only with these improvements that American steel can succeed in maintaining its position in the world market.

The true answer to this question is that all segments of American industry must always be prepared to compete with foreign producers by making the best possible use of modern technology. Our steel industry itself appears to recognize this axiom in its approach toward the procurement of machinery and raw