1. "Standby" means a quota that will be imposed only when it is needed, and only for so long as it is needed to maintain stability in the U.S. industry.

2. "Flexible" means a quota that will change quantitatively from time to time to meet changing circumstances within the United States with respect to consumption and outside the United States with respect to sources of supply.

3. Quotas will be "triggered on" when certain indicators of market conditions reach peril points which presage unreasonable impact unless imports are restricted until conditions change.

4. Quotas will be "triggered off" when there has been sufficient recession from those peril points.

5. There will be a reasonable minimum time that quotas will remain in effect, once imposed, and likewise a reasonable minimum interval between suspension of a quota and re-imposition at a later date.

6. Basic minimum quotas will be established initially related to current U.S. consumption, with provision for proportionate increase of the minima as U.S. consumption increases.

7. Initial allocation of quotas to major exporting countries will be made on experience during a suitable base period, and provision will be made for a periodic adjustment of country allocations by a suitable Government agency.

8. The intitial quotas quantitatively will be of approximately the same order as those under the original quota that was terminated in 1965, with due regard to current conditions.

Were such a quota program to be adopted in the near future, there would be no imposition of quotas forthwith, because the indicators of market conditions that will be proposed are not yet close to the peril points.

However, the inauguration of the program would have the immediate effect of a more pious look at the U.S. market scene by exporters to this country.

An approach toward peril points is quite easily predictable, and it is believed that a standby quota will generate considerable voluntary restraint to avoid the imposition of quotas.

Were such not the case, the imposition of quotas eventually would be the means of necessary restraint. In any case, imports would be reduced from current levels.

There is now pending before this committee a bill, H.R. 51. This bill, introduced by your esteemed colleague, the Honorable Wayne Aspinall, with appropriate amendment, will establish a standby flexible quota program such as I have described in principle. This program can be of such balanced detail that by reason of the stability that will result, it will be of ultimate long-range benefit to all concerned, the U.S. industry, the exporters to the United States, and the U.S. consumers. It will also promote the national interest by reason of strengthening and encouraging continued development of important natural resources in the United States.

We respectfully urge the committee to dedicate itself to a searching examination of our proposals at an early and more appropriate occasion, when time for detail will be more available than it is now, a circumstance we understand and respect.