a change in the law of the United States. We think the law should be changed and patterned after the Canadian law which imposes upon foreign sellers the burden of proving that the sales do not constitute dumping.

IMPORT QUOTAS AND ORDERLY MARKETING

Aside from improving the antidumping law, long range we believe that the solution must be an orderly marketing approach. Because of the Kennedy round, reasonable import duties have been abandoned, and the only alternate approach seems to be to determine what constitutes a fair share of the market for foreign suppliers of any given item and then to develop a formula which will permit foreign suppliers to expand or contract their sales in the U.S. market in relation to the total U.S. market. Specifically, we endorse legislation which would authorize the establishment of import quotas on various items, including rolled zinc items, which are sensitive to unfair import competition. The import quota of any item should increase or decrease in relation to the historical share this item has had as a percentage of the U.S. market. H.R. 16936 by Representative Sydney Herlong of this committee would accomplish this objective, and we support it. The foregoing statement of support for the Herlong bill represents the thinking of five of our six member companies. The sixth company takes the position that before quota legislation is resorted to, such as the Herlong bill, the United States first should levy a border tax, adopt the Canadian policy regarding dumping, and overall develop a sounder U.S. fiscal policy.

EAST-WEST TRADE

The subject of East-West trade is not a new one, and we continue to hear recommendations to expand East-West trade. While we question the wisdom of the application of the most-favored-nation rule to countries which are not a member of GATT, particularly we are opposed to the application of the most-favored-nation rule to Communist countries.

It is the application of most-favored-nation treatment to Communist Yugoslavia which has caused ruin to the U.S. zinc in sheets industry and is causing great concern regarding injury to other rolled zinc items.

Aside from the moral issue of the United States offering the same favorable trade terms to Communist countries as it does to genuinely friendly nations, such action is unusually harsh on U.S. manufacturing industries which must operate on a sound economic basis and sell at prices based upon costs. Sales from Communist countries do not have to be based upon costs but may be sales at prices determined by the Communist country government concerned considering only the relative importance and need of foreign exchange. Our industry has been particularly aware of this situation.

For some years the bulk of zinc-in-sheets imports has come from Yugoslavia. Total zinc-in-sheets imports in 1952 were less than 100,000 pounds. Then, zinc-in-sheets imports increased every year except one year through 1963 when they exceeded 2,800,000 pounds. By this