ence the policies and practices of those nations which feel that such quotas would restrict their sales in the quota-protected markets.

Many of the quota-sensitive countries also export aluminum products to the United States and, to some degree, are markets for United States aluminum exports. Quota action for other United States industries could thus have a two-way effect on United States aluminum foreign trade: (a) heavier imports of aluminum or aluminum-containing products into the United States than the domestic market could absorb in healthy fashion, and (b) more difficulty in maintaining or expanding United States exports of aluminum or aluminum-containing products.

Should import quotas be established by the United States for other major domestic industries, fairness would require safeguards for the United States aluminum industry from the possible repercussions of such quota action. Aluminum tariffs are low here, and there are virtually no tariff barriers to keep imports out. Without appropriate safeguards, foreign nations seeking dollar exchange, but kept out of other product markets in the United States by quotas, might concentrate disproportionately on selling in the readily accessible aluminum markets here. This type of import, stimulated by frustration elsewhere rather than by regular business competition, would not make for healthy foreign trade in aluminum.

Because of the pressure of governmental policies, we can no longer take for granted that the international market place can make adjustments rapidly enough or sufficient to assure healthy competition or the most efficient utilization of natural and human resources. Nevertheless, trade policy should favor, as much as possible, reliance on business competition, rather than on governmental regulation.

When national interest or the basic health of an essential industry does require the intervention of governmental regulation, it should be as temporary and flexible as possible. Accordingly, limitations on imports should not take the form of fixed "ceilings" over extended periods.

It may prove necessary, in specific instances, to place temporary and reasonable limits on market participation by imports when disparate national policies undermine the conditions of international business competition. However, competing domestic and foreign suppliers should have the incentive and opportunity to increase their shipments to a market, and even to increase their share of that market. The emphasis should be on flexibility and on providing the opportunity to stimulate, and participate in, market growth.

Mr. Chairman, again we are grateful to you and the Committee for the opportunity to present The Aluminum Association's views on this vital subject.

Appendix "A"

Nature of the Aluminum Association

The Aluminum Association is a non-profit, unincorporated organization composed of companies within the United States engaged in the production and fabrication of aluminum. The Aluminum Association was organized in 1935 to promote the general welfare of the aluminum industry, its members, and all others affected by it, and to increase the usefulness of the industry to the general public. As of the present time, the Association is comprised of 77 members accounting for 100 percent of the primary aluminum production in the United States and manufacturing roughly 80 percent of the country's semi-fabricated aluminum products. The following companies are members:

Acme Aluminum Foundry Company
Alcan Aluminum Corporation
Alloys and Chemicals Corporation
All-State Welding Alloys Co., Inc.
Aluminum Limited, Incorporated
Aluminum Casting & Engineering Co.
Aluminum Company of America
Aluminum Extrusions, Inc.
Amax Aluminum Company
American Aluminum Casting Co.
Anaconda Aluminum Company
Anaconda Wire & Cable Company
Archer Products, Inc.
The Arcola Wire Company
Capitol Products Corporation
The Castings Corporation
Clendenin Bros. Inc.
Cliff Manufacturing Company
Club-Monarch Aluminum Division
Collyer Insulated Wire Company
Consolidated Aluminum Corp.
Continental Copper & Steel Industries, Inc.
Copperweld Steel Company