The average steel mill project of the type we are talking about would probably create some 2.5 million man-hours of work in the United States before it was finally consummated.

I do not think it would have any effect on stopping dumping coming in here, but such a contract does create more work for American labor and more activity for American industry while it is being carried out.

I would like to comment on another aspect of this for a moment.

There has been criticism of money being invested abroad, American financial money to build steel mills abroad, and the steel industry has raised the question with us.

They are our largest customer in the engineering construction field and obviously, as you may guess, and as Bill Moorhead knows perfectly well, I have had many discussions with presidents and chairmen of steel companies who say, "My gosh, you are selling us equipment here, and then you are selling it abroad to take business away from us."

But I have been able to point out to them two things that I think are quite important.

One is our sales have all been to build steel mills in developing countries. These mills have in every case been designed to take care of the projected internal needs of those countries. And as of this moment I know of no mill that we have helped that is shipping products into the United States, nor do I see any likelihood of their doing so.

A steel mill in a developing country is like an electric powerplant or cement plant, you cannot have industry if you do not have one.

The first mill we built was in Chile. It was such a small country that there was great doubt as to whether it could support a steel mill and yet the mill has been expanded three times since it was first put into operation in 1946. It is still selling almost all of its product in Chile and the little it is exporting goes to the Argentine in exchange for beef. Within 2 years after it went into operation I drove around Concepcion and Santiago, Chile with the president of that company and we counted 47 new industries that had never been in business before. This happens everywhere and they just soak up their own local steel. So I do not think this kind of financing is hurting the American steel industry.

Mr. CLAWSON. Would the gentleman yield?

Mr. REUSS. Surely.

Mr. CLAWSON. I am curious about the potential use of Japanese steel in the same countries where we are building or assisting to build the Japanese—I do not mean Japanese—but steel mills for their own domestic purposes.

Mr. FOY. The Japanese are trying to sell steel in all of these countries. But they also are trying to sell steel mills in all of them. So they get us either way.

Mr. CLAWSON. So they would have gone at us from either direction?

Mr. FOY. Yes, they are one of our strongest competitors.

Mr. BARRETT. Mr. Reuss.

Mr. REUSS. Thank you, Mr. Chairman, and thank you, gentlemen of the panel for the very helpful testimony.

I want to see if I can get some agreement from you gentlemen as to what is really needed in our export enhancement policy.

You all agree we need some lowering of the assurance of repayment criteria over the way it is now being run.