

IMPORTS AND OUR STEEL INDUSTRY BY HON. EDWARD J. DERWINSKI OF ILLINOIS, IN THE HOUSE OF REPRESENTATIVES, MONDAY, JUNE 24, 1968

Mr. DERWINSKI. Mr. Speaker, the U.S. Government negotiators did not adequately serve the United States in the years of negotiations which have produced tariff adjustments. As a result, there are clearly visible adverse impacts on the American economy. One major industry which faces complications from foreign sources and which was unfortunately ignored by our governmental tariff negotiators is the steel industry.

In the fifties, steel imports from foreign nations ranged in the 1- to 2-million-ton level annually. The trend changed in 1959 and the steady increase started. Students of international trade were shocked in 1965 when, for the first time in our history, imports for a single year exceeded 10 million tons.

But, as events subsequently proved, even this high figure was not to be the ceiling. In 1966, imports increased again, this time to nearly 11 million tons. In 1967, they rose to 11½ million tons.

Where are they now? Figures that once we thought of only as an annual volume are now used to describe monthly inflow. An all-time monthly record of 1½ million tons of foreign steel came into this country last November. December, January, February, and March each had more than 1 million tons of steel imports. These are the cold weather months when the Great Lakes freeze over; the St. Lawrence Seaway shuts down, and imports are supposed to fall. But now the pipelines of steel from abroad are so swollen that they continued to flood our shores in the winter months.

The latest blow may be found in Commerce's April figures—a new, all-time record of 1,480,000 tons. Do we realize how much steel this is? In the decade prior to 1959 when the current trend started, the imports for only three full years exceeded the total that came into this country in April alone.

In the first 4 months of this year, nearly 5 million tons of foreign steel has come into the United States. This is a new record. It represents an increase of 50 percent over imports for the similar period of last year. Trade sources estimate that foreign steel will continue to come in at this rate, at least, through the balance of this year. Consequently, imports for the full year of 1968 should total at least 15 million tons, also a record.

There are those who argue that our Government should not interfere in this trade because any steps to impede the flow of foreign steel into our land is "protectionist" and would only cause retaliation amount foreign countries. I say look at the rules of international trade. Examine the reasons why this foreign steel can so easily compete in our land with our product. Examine the help that foreign steel companies get from their own governments. Examine the openness of foreign markets to our products. Examine the policies of foreign nations in their relationship to acquiring dollars and what they must do to get them.

If the import groups that argue in our land for free trade would first establish free entry into their own lands, if their companies would operate as independently of government help as ours do, if their steel companies would abide by the same minimum wage standards for interstate commerce that our companies do, then we could compete with them.

However, the way the game is now rigged, our international balance of trade in steel costs us a deficit of more than a billion dollars last year. It may cost us a billion and a half this year. This country has too many responsibilities throughout the world as well as at home to tolerate deficits of this nature indefinitely. They threaten our economy; they threaten our national defense; and they threaten the future of many of our citizens.

Mr. Speaker, in lieu of the points I have emphasized, it is obvious that Congress, and more specifically, the Ways and Means Committee, must give priority to the problems affecting the steel industry and other areas. It is obvious that the administrators will do nothing.

I recognize that this session of Congress is entering its final 5 weeks and if Congress is to provide the necessary legislation, we must move without delay. "Free trade" is a wonderful theory to which I prescribe to in principle. However, we as a Nation should not place our major industries in a position where artificial factors give foreign competition visible advantages. American industrial capacity is a cornerstone of our national greatness. American wage earners, consumers, investors and, in fact, all citizens have a vital stake in maintaining an economic situation within which our major industries such as steel can honestly compete.