PROPOSED AMENDMENTS TO THE "IRON AND STEEL ORDERLY TRADE ACT OF 1967"

I. Paragraph (5) is added to Section 3 to read as follows:
The term "region" means any one of the four regions comprised of the states or territories as shown below:

(a) Pacific Coast and Mountains consisting of: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California, Alaska, and Hawaii

(b) South Central consisting of: Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas

(c) North Central consisting of: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, N. Dakota, S. Dakota, Nebraska, and Kansas.

(d) Atlantic consisting of: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Virginia, West Virginia, N. Carolina, S. Carolina, Georgia, Florida, and the Commonwealth of Puerto Rico.

II. Paragraph (1) and (2) of Section 4 are deleted. Paragraph (3) is renumbered (2).

III. Paragraph (1) of Section 4 shall read as follows:

(1) Total imports of any category into any region for each year shall not exceed an amount determined by applying to the average annual consumption of that category into that region during the first three years of the four years immediately preceding the year in which the limitation is to be effective a percentage equal to the percentage of United States average annual consumption of that category represented by imports during the years 1964 through 1966 inclusive.

IV. Section 5, Lines 1 and 2 of Page 5 is deleted and changed to read: "annual consumption during the first three of the four years immediately preceding the year in which the restriction is to apply."

V. Section 5, Line 19, is deleted and changed to read: "(1) of Section 4, by proclamation restrict annual imports."

VI. Paragraph (2) of Section 9 is deleted and Paragraph (3) is renumbered as Paragraph (2).

The "Iron and Steel Orderly Trade Act of 1967" has been introduced by a number of Members of the House in the 90th Congress.

As these bills now read, we believe the Western Region would continue to receive twenty-five percent or more of its steel consumption from imports. This would compare to the Great Lakes Basin region, the country's largest consuming area, which would receive approximately five percent of their consumption in the form of imports. The basic reason that the Western Region would receive a disproportionate share of imports is that Japan will receive 43% of the allowable import tonnage and the Pacific Coast is their most economic outlet. An example of how we believe this will work is shown in the following set of figures:

Total allowable imports in 1967 as a fixed percentage equal to the ratio of total imports to average consumption during the base period (1964–1966).

95,840,000 net tons×9.6%, 9,192,000 net tons.

Japan's allowable imports would be 43% based on their share of imports in the base period.

9,192,000 net tons×43%, 3,947,000 net tons.

In the year 1966 Japan exported through West Coast ports 1,640,000 net tons of steel products. We firmly believe that this amount of tonnage and possibly even more of their allowable allocation would continue to come in. If our assumption is correct, from Japan alone, the West Coast would receive approximately 18% of the nation's imports, while consumption is approximately 9% of the nation's total. The attached table will indicate for selected products our estimate of the consequences of the Act as now proposed vs. the more equitable regional consumption version.