

STATEMENT OF THOMAS F. PATTON, AMERICAN IRON & STEEL INSTITUTE; ACCOMPANIED BY LAURENCE FENNINGER, JR., AND WILLIAM G. STEWART; COORDINATING WITH I. W. ABEL, PRESIDENT, UNITED STEELWORKERS OF AMERICA; ACCOMPANIED BY JACK SHEEHAN, LEGISLATIVE REPRESENTATIVE

Mr. PATTON. Mr. Chairman and gentlemen of the committee, my name is Thomas F. Patton. I am chairman of Republic Steel Corp. I am accompanied by Mr. William G. Stewart, president of Cyclops Corp., a producer of specialty steels, one of the smaller companies in the steel industry, and by Mr. Laurence Fenninger, Jr., assistant vice president of Bethlehem Steel Corp. We are appearing today as representatives of the American Iron & Steel Institute, a nonprofit trade association having 67 member companies in the United States. Those companies, which include mine and those of my colleagues, account for about 95 percent of this country's raw steel production.

Before I proceed with my statement, I should like to express my own and the institute's appreciation for the opportunity to be heard during your review of tariff and trade proposals.

May I point out that we appear today together with Mr. I. W. Abel, president of United Steelworkers of America, and his colleagues from that union, which represents the vast majority of the employees of the institute's member companies.

Whatever our differences may be as to other matters, we and the union are of one mind as to the seriousness of the problem of imports of pig iron and steel mill products into the United States. We and the union are in agreement that there is an immediate need for some reasonable limitation on the importation of those commodities to prevent the present negative balance in steel trade from growing rapidly worse.

Recognizing the importance of conserving the committee's time and the extensive testimony you have already heard on general trade matters, I shall confine my remarks to a summary of the problem of steel imports and the solution which the member companies of the institute endorse.

Documentation for this statement is found in "The Steel Import Problem" published by the institute in October 1967, and recently updated to include those 1967 data currently available, a study of steel imports prepared by the staff of the Committee on Finance of the U.S. Senate, and a paper prepared by the institute on the national security aspects of steel imports. I ask that these documents be entered in the record of these hearings, although I suggest that only the national security paper need be made part of the printed record.

In this statement, I shall use data applying only to trade in steel mill products to avoid confusion. Those data are generally representative of the trade in pig iron, although there are substantial differences as to countries of origin of imports. All data on imports and exports will be expressed in net tons of 2,000 pounds.

DIMENSIONS OF THE CURRENT IRON AND STEEL IMPORT PROBLEM

The dimensions of the iron and steel import problem can be described quickly. Until 1959, the United States was a net exporter of