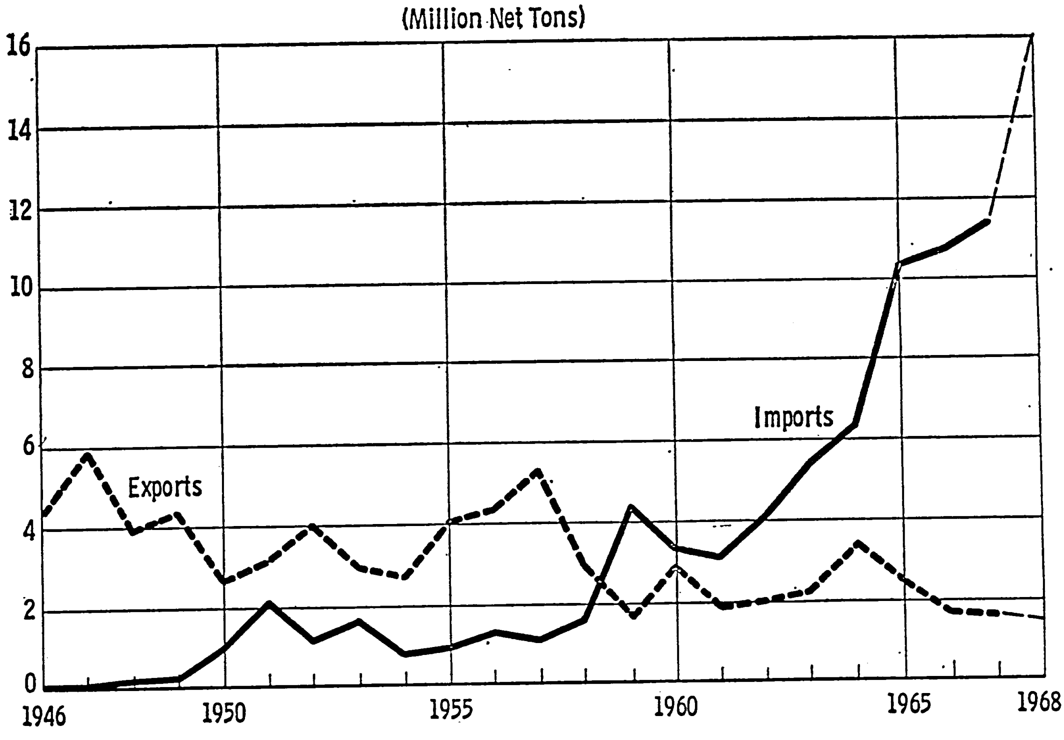
steel. In 1957, for example, we exported 5.3 million tons of steel mill products and imported a nominal 1.2 million tons. In 1967, by contrast, we exported a mere 1.7 million tons, about half of which was financed by the United States under AID programs, and imported 11.5 million tons, 12.2 percent of the total steel supply in the United States.

Thus, in one decade, we experienced an adverse swing in trade of about 14 million tons having a value of about $1½ billion. During the late months of 1967 and the early months of this year, the situation has grown rapidly worse. In fact, steel imports in the first 4 months of 1968 were more than 50 percent above the corresponding period last year, the previous record for those months. (Chart 1.)

CHART 1

U. S. DIRECT INTERNATIONAL STEEL TRADE

(Million Net Tons)



Initially, steel imports were concentrated in product categories, such as common wire rods, concrete reinforcing bars, and wire products, the manufacture of which involves relatively simple technology and comparatively broad dimensional and physical tolerances.

As time has gone on, however, there has been a marked shift toward the more sophisticated products, with the greatest gains occurring in flat-rolled items such as hot- and cold-rolled sheets and the specialty products—stainless steels, tool steels, and high alloy steels. In fact, imports of specialty steels now account for a higher proportion of the supply in the United States than do imports of common steel products.

A similar shift has occurred in the distribution of imports by geographical regions. Originally, as might be expected, imported steel was confined largely to coastal areas. With the opening of the St.