Mr. HERLONG. Before I present Mr. Abel to the committee I just wanted to tell you that the chairman expressed his apologies for leaving when you were testifying. He and Mr. Byrnes have to go to the Rules Committee at this time.

Mr. PATTON. We understand, Mr. Herlong. Thank you very much.

Mr. HERLONG. Mr. Abel. We are happy to have you before the committee, Mr. Abel. We appreciate your coming.

STATEMENT OF I. W. ABEL, PRESIDENT, UNITED STEELWORKERS OF AMERICA, ACCOMPANIED BY JACK SHEEHAN, LEGISLATIVE REPRESENTATIVE

Mr. ABEL. Mr. Chairman, my name is I. W. Abel. I am president of the United Steelworkers of America, a union which represents the workers in the basic iron and steel industry in the United States and Canada. We also represent iron ore miners in both countries.

Accompanying me this morning on my right is Mr. Jack Sheehan, our legislative representative here in the city of Washington.

I am sure that the joint appearance before this committee of the union and the industry, represented by Mr. Tom Patton of Republic Steel and me, will come as a surprise to many, since we are currently engaged in negotiating a labor agreement. Frankly, Mr. Chairman, we hope that our appearance will elicit more than surprise. We hope it will arouse a real concern for and a willingness to investigate the new problems which our domestic economic system faces as a result of our current national trade policy.

EVALUATION OF TRADE POLICY

All of us, of course, are moved by the argument that if a specific policy works, it must be the right one. But the converse is also true. There can be no dogmatic truths in an evolving and changing economic climate. The best argument for pursuing our foreign trade policy, which was initiated over 34 years ago, has been the fact that we have developed and generally maintained a favorable trade balance. This was particularly true in the steel industry until 1959, at which time we began to rapidly plunge into a deficit position. Now the national trade balance is also being jeopardized.

The 1967 trade surplus was only $3.6 billion, and already this year we have experienced trade deficits. Our balance of payments have also succumbed to a long series of large international deficits, beginning in 1958. It is interesting to note that the last time this committee deliberated upon our trade policy we were very much in a surplus condition and our payment deficits were declining. The impact of those deliberations was not to be felt until this year, but the atmosphere in which you conducted them was certainly optimistic—between 1960 and 1965, our trade surplus averaged $5.2 billion and during the same period, our payment deficits dropped from minus $3.9 billion to minus $1.3 billion.