

VALUE OF DIRECT AND INDIRECT (END-USE) STEEL IMPORTS AND EXPORTS AND THEIR EFFECT ON
U.S. BALANCE OF PAYMENTS

[In millions of dollars]

	Imports ¹			Exports			Trade balance, total exports less imports
	Steel products (direct imports)	End-use items ² (indirect imports)	Total (direct plus indirect)	Steel products ³ (direct exports)	End-use items ⁴ (indirect exports)	Total (direct plus indirect)	
1957 ⁵	214	99	313	1,010	546	1,556	+1,243
1958.....	229	100	329	753	501	1,254	+925
1959.....	581	155	736	498	533	1,031	+295
1960.....	502	132	634	727	554	1,281	+647
1961.....	420	93	513	547	553	1,100	+587
1962.....	533	117	650	565	567	1,132	+482
1963.....	684	115	799	627	594	1,221	+422
1964.....	815	140	955	780	697	1,477	+522
1965.....	1,268	175	1,443	721	752	1,473	+30
1966.....	1,313	234	1,547	635	793	1,428	-119

¹ After deducting 10% allowance for FOB to CIF adjustment.

² Values calculated by multiplying estimated net tons of indirect imports times the average CIF landed value per net ton of imported steel mill products after deducting 10% allowance for FOB to CIF adjustment.

³ Values represent steel product exports including AID-financed exports.

⁴ Values calculated by multiplying estimated net tons by the Average Sales Realization per Net Ton of Steel Products (all grades) for the Respective Year. (Computed from Census of Manufactures Data Published by the Bureau of Census).

⁵ The value of "other steel products" component of the steel product direct imports and exports estimated.

Source: Steel Imports—Staff Study of the Committee on Finance, United States Senate, December 19, 1967, page 69.

Mr. CURTIS. I know the use of countervailing duties is coming back into play.

Do you feel that this is a possible way for us to continue to move forward to try to at least equalize some of these unfair trade practices?

Mr. PATTON. There is no harm in moving forward on that area, but I must respectfully submit that we consider it to be wholly inadequate to correct the situation as we see it.

There is only, as I recall, one case that has been decided on countervailing duties involving some Italian radio power, and as I understand it, only half of that case has been decided and they have been waiting a year and a half for the other half to be decided.

So it is a very slow process, and if we went at this thing case by case and sale by sale, Mr. Congressman, we wouldn't get any relief in any appreciable form in any kind of time.

Mr. CURTIS. You are among those who think the administration has not been enforcing the law as it has been written on the books for sometime. It certainly hasn't seemed to have used the tools which it has available which would move in this direction.

Now, whether this is so, we ought to find out whether this is a proper channel, to see if by developing the countervailing duty approach we can handle these problems. Believe me, I would much prefer to see this kind of tariff differential counter these unfair trade practices that create your problem. Anyone can read a tariff schedule, even the smallest businessman.

No matter how much you like it or dislike it, quotas require the action of a political bureaucracy. You can put in your guideposts, but, believe me, those are going to be interpreted by civil service employees and others in the executive branch of the Government. We run into the same problem of writing laws and then finding that they have not been administered the way some of us have thought they would be administered.