

doubled from 1963 to 1967. Our wire rope and wire strand customers offered a similar report.

During the calendar year of 1958, 181,284 net tons of wire rods were imported into this country. At the same time, 432,185 net tons of wire and wire products were imported. Nine years later, for the calendar year of 1967, these comparative figures were 1,076,467 net tons of rods and 797,445 net tons of wire and wire products. During this same period of time, the earnings' record of Keystone Steel & Wire Company showed that the percentage of profit on net sales dropped from 11.01% in 1958 to 4.82% in 1967 and percent profit on investment plummeted from 16.31% in 1958 to 6.08% in 1967.

We do not seek the abolition of free world commerce, only the opportunity for domestic steel companies including the Keystone Steel & Wire Company, Peoria, Illinois, to compete equitably with foreign steel producers in the United States domestic market.

WASHINGTON STEEL CORP.,
Washington, Pa., June 28, 1968.

Hon. WIBUR MILLS,
Chairman, Committee on Ways and Means,
U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN MILLS: You have heard some of the critics of the proposed legislation to set a reasonable limit on imports of steel say that "None of the steel companies seem to have been seriously hurt." This is certainly not true of the Washington Steel Corporation.

Substantially all of the company's production is stainless steel and more than 70% of the stainless steel produced is nickel-bearing material; in fact, the average nickel content is 9½%. Thus, to support our minimal requirements we need 5 to 7 million pounds of nickel per year which makes us one of the largest consumers of nickel in the country.

There are two specific and very real areas in which our company has been demonstrably hurt. Although the market price for electrolytic nickel is 95¢ per pound, plus or minus, (depending on which form you buy) we have been obliged to pay as much as \$1.55 to \$1.60 a pound for some of the units which we needed and one of our really helpful sources supplies high nickel ferro chrome to us at what constitutes a premium of 30% a pound nickel contained.

One other way in which we can get some nickel is to quote marginal prices on government contracts so that we can get some rated orders for which the nickel is assured—it's another way of paying a premium.

The other way in which we have been very seriously and demonstrably hurt is that on stainless steel sheets as much as 25% of domestic consumption has come into this country from Japan alone in many months—the average is running 18% to 22% now on stainless sheets. Thus, we have lost an important and profitable part of our production but the Jap's prices were as much as 30% below the book prices of the American producers and, little by little, the domestic prices deteriorated to the extent of 15% in an endeavor to hold on to some of the stainless steel sheet business; these reductions will probably never be regained and thus they came out of our former profits.

Before concluding, we would like to add that our own government has not made our plight any easier by allowing so much stainless steel scrap to be exported to Japan. No legislation is needed to control that; it's simply a matter of policing the export licenses.

Well, Mr. Chairman, I do plead with you to get us some action on these import limitation measures. Heaven forbid that our seven children and all the grandchildren who are now beginning to appear from all directions should ever have to go on public relief—the load would be heavy.

As a member of the American Iron and Steel Institute Public Affairs Development Committee, may I express to you my personal thanks for the fine treatment which was accorded our Committee by you and your associates. Please be assured that we wish to be helpful.

Respectfully yours,

T. S. FITCH, *President.*

(The following statement of Tool & Stainless Steel Industry Committee, was received for the record:)