any other steel product during the post-war period. The price of the finished product did not increase proportionately, instead it decreased. A point was reached, in many areas, where the raw material was selling at a higher price than the finished wire product. For example, during 1963 hot-rolled carbon steel wire rod was sold for $144.50 per net ton. Yet, the same integrated steel mill was selling annealed bailing wire for $141.50 per net ton.

The independent producer, of course, could not purchase wire rod from the integrated producers at $144.50, clean and draw the rod into wire, fabricate the wire into annealed bailing wire and then compete against a price of $141.50. As a matter of survival the independent producer had to turn to imported wire rod.

As a result of the double price squeeze applied by the integrated mills, wire rod imports increased from 47,800 tons in 1955 to 1,076,467 tons in 1967, about 10 percent of total U.S. steel imports. These imports are consumed almost entirely by the independent wire drawers, and it is estimated that imports account for about 50 percent of the non-captive wire rod market.

Over a 5-year period, when domestic prices were perfectly rigid at $144.50 per ton, comparable foreign wire rod was being sold at $110, $105 and at times even less than $100 per ton. Steel mill spokesmen were quick to boast of their unwillingness to meet foreign competition. Instead the big steel corporations sought the protection of the U.S. Antidumping Act by claiming the foreign wire rod was being dumped in the United States. The two Federal agencies charged with the administration of the Antidumping Act disagreed. The Treasury Department found Japanese wire rod prices were "not less than fair value", and the Tariff Commission dismissed the complaints against wire rods from West Germany, Belgium, France and Luxembourg on the grounds of "no injury to a domestic industry".

III. DOMESTIC STEEL MILLS CANNOT SUPPLY THE CURRENT TIGHT WIRE ROD MARKET, YET BIG STEEL STILL SEEKS IMPORT QUOTAS

In early 1965 the domestic steel industry reduced the price on so-called "common quality" wire rod from around $144 to approximately $125 per ton. For all practical purposes, this was a meaningless price reduction as far as the independent wire drawers and fabricators were concerned. In the first place, the price of $125 per ton was not competitive with the imported wire rod nor was it low enough to permit a fabricating markup. In the second place, the definition of "common quality" only applied to certain types of wire rod and other important types of wire rod used by independent wire drawers and fabricators were still sold at the old high, uncompetitive price.

On March 1, 1966, the U.S. Steel Corporation announced it was withdrawing published prices on low carbon wire rod, in order to aggressively compete against imported wire rod. Salesmen from the U.S. Steel Corporation have offered wire rod to most independent wire drawers at a price competitive with imported wire rod during the past two years. This price decrease has been met by most of the other major domestic steel producers. At that time the Independent Wire Drawers Association commended the domestic steel industry on its decision to meet foreign competition in the market place.

Now, while American mills are in some instances virtually offering to meet import prices on rods, they are on the other hand, totally unable to give delivery on wire rods even to the extent of 10 to 20 percent of the needs or requirements of most independent wire drawers. So the price offer is really a false token offer and is not a valid one, and not of very much use.

There has been and still is, a very tight competitive market on wire rods. For example, according to the 7 March 1968 issue of *The Iron Age:*

"In certain sections of the country, domestic steel producers are literally turning away business. Wire rod is the only product actually on allocation, says one steel executive."

Within the last two months American mills have all increased their rod prices in spite of President Johnson's requests to the contrary. They have done this by increasing quality extras and the size extras. This was not a base change. The price increase was accomplished by methods other than an open price base increase. Although there was also a subsequent $3.00 per ton increase in the base price of rods additionally.

The result has been a definite increase in costs as far as independent wire drawers are concerned. Meanwhile, the domestic steel mills maintained, and in some instances, definitely reduced the prices of finished wire products to put the squeeze on the independents.