V. CONCLUSION

In the U.S. wire and wire products industry, imports of wire rod have been the economic salvation of the independent wire drawers. These imports have helped reduce the price of U.S. wire rod and now we are enjoying, to some degree, the benefits of a relatively free and open wire rod market in the United States. However, domestic steel mills, at the present time, are totally unable to give delivery on wire rods even to the extent of 10 to 20 percent of the requirements of most independent wire drawers. Consequently, American independent wire drawers are dependent upon imported wire rod as their basic raw material. The imposition of a steel import quota, border tax or tariff surcharge would have a disastrous result on these small manufacturing firms. Therefore, the Independent Wire Drawers Association favors an open door policy on steel imports and is opposed to the imposition of any restrictions on steel imports.

The Independent Wire Drawers Association favors the enactment of the President's "Trade Expansion Act of 1968" with the addition of an amendment authorizing the President to completely eliminate U.S. duties as part of a reciprocal trade arrangement where the duty involved is 5 percent *ad valorem* or *ad valorem* equivalent or less in the hope that the present small nuisance duty on imported wire rod can be completely eliminated.

The CHAIRMAN. Thank you, Mr. Geller. Thank you Mr. Muntwyler. Are there any questions of the gentlemen at the table?

Mr. CURTIS. Mr. Chairman.

The CHAIRMAN. Mr. Curtis.

Mr. CURTIS. It is not a question but I would appreciate it if the previous witnesses representing the steel industry would respond to the points that have been made. I personally will send a copy of this testimony to them and ask them to respond.

I think one of the main purposes of these forums is to have a confrontation between people who have different points of view and I would be very much interested in what response the steel industry which testified this morning would have on the testimony that you gentlemen have given us. Then you would have an opportunity of course to reply further.

Could the record be left open?

The CHAIRMAN. The record is open.

Mr. CURTIS. Very good.

(The following letter was received by the committee:)

UNITED STATES STEEL CORP.,
*Pittsburgh, Pa., July 18, 1968.*

Hon. THOMAS B. CURTIS,
*House of Representatives,*
*Longworth Building, Washington, D.C.*

DEAR MR. CURTIS: At the request of Mr. T. F. Patton, I am responding to your letter of June 24, 1968, which asks for comments on certain testimony made by Mr. Muntwyler, President of the Independent Wire Drawers Association before the House Ways and Means Committee on June 18, 1968.

The circumstances outlined by Mr. Muntwyler evidence the need for some reasonable limitation on steel imports if a viable American steel industry both integrated and nonintegrated is to be retained.

The attached exhibit of AISI statistics demonstrates the tremendous market penetration achieved by imports of wire and wire products which were sold at prices well below domestic market prices. These imports had an early disruptive effect on the ability of American producers both integrated and nonintegrated to market their products profitably. Many nonintegrated wire drawers lowered their wire and wire product prices in an effort to meet this foreign competition and were supported in their efforts by the growing influx of foreign rods also selling at severely depressed prices. U.S. steel lowered its wire product prices in certain instances in order to be competitive.

To endeavor to pinpoint domestic wire and wire product price deterioration chronologically or geographically to either group would be impossible. That the