Even the 5,500,000 tons of flat rolled steel which arrived in the United States in 1967 had a severe impact on our company and on that part of the bi-state St. Louis area consisting of the industrial district where our plant is located.

We have made several calculations based on the assumption that Granite City Steel's share of the American market lost to foreign flat rolled steel last year would have been the same as our share of the total American market for flat rolled. On that basis, we can report as follows:

1. Our company employed an average of 5,133 men and women in 1967. We would have employed better than 10% more people except for imports. As it was, those jobs went to steelmakers in Europe and Japan.

2. Our company paid $48,197,000 in wages, salaries and employee benefits in 1967 and most of it went to residents of Granite City and other nearby communities where we are the leading single employer. We would have paid almost $6,000,000 more into the local economy except for imports. The additional payrolls would have meant a lot to a community the size of Granite City, Illinois, which has a population of about 40,000. We would also, of course, have paid more state and local taxes except for the business lost to foreign steel companies.

In summary, we were damaged by steel imports even at their 1967 level. Granite City Steel lost important orders last year and provided fewer jobs. The economy of Granite City, Illinois, was less active last year and retail sales and other local business activities suffered to the extent that we pumped less money into the economy as a result of imports.

The 1968 import problem promises to be much worse and especially for flat rolled producers. The biggest growth in imports during the first four months this year compared with the same months in 1967 was in our products. Imports of all steel products were up 51% for the four months this year. Imports of flat rolled products were up 76%. If flat rolled imports continue at the present rate the rest of 1968, we will see 16% of the U.S. market for flat rolled taken over by imports. In some flat rolled products, imports will account for over 20%.

If present trends continue, imports will ultimately capture so big a share of the market for some steel products that it will no longer be profitable to make them in the United States.

We ask you, what can we do about this that we have not already done? We have a very modern steel plant. We compare favorably with the most technologically-advanced foreign flat rolled steel plants. However, we cannot compete with their low wage costs which enable them to undersell American steel producers at price differentials that exceed our total profit margins.

We are running out of time. What is needed is action now, action in the form of quotas limiting the volume of steel imports. Any delay would only encourage the foreign steel producers, particularly the Japanese, to continue their tremendous expansion of steelmaking facilities on the assumption that they can use the United States as a market for their surplus steel.

The real and present danger here is that we will see permanent damage done to a basic and vital part of our modern industrial economy, the American steel industry, before anything is done about the import problem. Should that happen, it may well be that we have exported steelworker jobs and imported not only steel but a lower standard of living for us all.

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## Statement of Paul B. Akin, President, Laclede Steel Co.

Chairman Mills and Distinguished Members of the Committee, my name is Paul B. Akin. I am President of Laclede Steel Company, one of the smaller companies in the basic steel industry. Laclede headquarters are in St. Louis, Missouri, with steel mills in Alton and Madison, Illinois, in the St. Louis district and with warehouse fabricating plants in Texas, Louisiana, Tennessee, and Florida. Laclede Steel Company has about 4,500 employees.

I appreciate the opportunity to offer a statement for the record in connection with hearings of the Ways & Means Committee on the subject of steel imports.

Laclede's product line consists to a large extent of reinforcing bars, rods, and wire products. Our earnings started feeling the adverse effects of foreign steel imports as early as 1956. Enclosed is a chart that illustrates graphically this decline of earnings in the years that followed. In 1964 earnings fell to a level of 1 percent on net sales. We have undertaken a heavy modernization program since 1964, and we expect debt ratio to reach 40 percent this year. Although we have been able to improve our earnings on net sales to 3.2 percent last year, much of the improvement is a result of the investment credit earned on our construction program. Our new equipment is extremely modern, and we are