

the need for scientific and technological progress in industry and commerce; it would—despite the current decline in employment in the steel industry and some other affected industries allegedly resulting from our present liberal policy—create a condition that would witness a much higher rate of unemployment in the United States that would affect all branches of industry and commerce; it would alienate our friends abroad and in the process give comfort to our enemies.

For all these reasons, I urge that you vote against any resolution that is designed to place restrictions on foreign trade.

Respectfully,

SOLBERT J. BARSY.

CHICAGO, ILL., May 19, 1968.

HONORABLE MEMBERS OF THE HOUSE WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D.C.

DEAR CONGRESSMEN: If you would permit me, I would like to present my views on the proposed Iron and Steel Orderly Trading Act.

There has always been a tendency for domestic producers to seek relief from competing imports. If this relief is put into law, a structure is established that is not easily modified when times change.

It may seem like a queer sort of comparison to mention cheese when steel is the question, but about 15 years ago Americans started buying more cheese from Denmark than ever before. Cheese imports, rose to a whopping three percent of American consumption, if I remember the figures correctly.

Wisconsin farmers protested to Congress and after a while cheese imports were limited to a base period before Americans started liking so much cheese in their diet.

What is happening now? Prices of cheese are so high some chain stores are dropping certain lines. There has been more than a 25% increase in some cheese prices in a year.

Both American and Danish farmers could be making a happy living supplying this market, but the limit on imports still stands on our books.

Who suffers most in this situation? The American Consumer? Perhaps also the very Wisconsin farmer who asked for the controls in the first place. American consumers become used to other foods in their diet as they stop buying high priced cheese.

Might not the steel producers take this example seriously? There are substitutes for steel (and incentives to find new ones) if too much interference in the supply sends the price too high.

Yours sincerely,

MARGARET B. DRAY, *Economist*.

STATEMENT OF J. A. MOGLE, CHAIRMAN, FOREIGN TRADE COMMITTEE, FINE AND SPECIALTY WIRE MANUFACTURERS' ASSOCIATION

This statement is filed on behalf of the domestic producers of fine and specialty carbon steel wire through their trade association, the Fine and Specialty Wire Manufacturers' Association. This Association is composed of 17 member companies who account for more than 75% of the fine and specialty wire produced in the United States. Manufacturing facilities of these member companies are located in 16 states: Alabama, California, Colorado, Connecticut, Florida, Illinois, Indiana, Kentucky, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, and Texas. Our group should not be confused with "The Independent Wiredrawers Association," an entirely different trade association, whose problems and views do not necessarily coincide with ours.

We have requested the opportunity to address you during this hearing on "Foreign Trade and Tariffs" because of our concern about the effects on our industry of past U.S. Foreign Trade Policy. Despite a growing domestic market for our wire, we find ourselves producing an even smaller percentage of it. Best estimates are that in the last ten years our share of the American market has decreased from 98% to approximately 80%. Wire mills have been closed and almost all of our members have dropped certain items from their list of products because they could no longer compete in a market place where foreign competitors have unfair advantages. I say "unfair advantages" because they would be so considered under present American laws applying to domestic transactions.