STEEL IMPORTS

I hark back to the Wall Street Journal article to which I referred to in my opening comments that "the bulk of the import rise (last month) was in steel."

In 1959 we imported 1.3 million tons of steel products, only 1.7 percent of our total domestic market. By 1967 imports had risen to 12 million tons or 12.7 percent of domestic consumption. Thus in only a decade we had swung from our role as a net exporter of steel to become a net importer of steel.

Largely because of transportation problems, Wyoming steel plants are operating on a very thin margin which is being steadily eroded by imports. Wyoming does not mill steel but it mines and beneficiates iron.

The Colorado Fuel & Iron benefication mill near Sunrise, Wyo., has a 600,000-ton-a-year capacity and employs some 200 men. The Atlantic City project of the United States Steel Corp., in Fremont County, has a 1.5-million-ton-per-year capacity and employs between 550 and 600 steelworkers. This means a payroll for Wyoming of some $4 million annually, which to a State with only 330,000 people is a large and important economic element.

Iron mined in Wyoming is expensive in that it must be transported to Provo, Utah, or Pueblo, Colo., after beneficiation and then on to west coast steel markets. Japanese competitors, on the other hand, ship their steel by water, the least expensive method, thereby gaining a massive competitive edge. When this competitive edge is added to the low wages and living conditions associated with those who create foreign production, this gives Japanese and other foreign-produced steel a distinct price advantage over the American product. Projections of available statistics indicate that the staggering total of 17 million tons of foreign steel may find its way to our shores, adding over $1 billion to our international transaction deficits for 1968.

DAIRY

In dairy imports, we find a score of nations making end runs around our import laws simply by renaming or altering slightly the composition of certain items.

Imports of cheese in 1967 were 152 million pounds, or 8 percent of U.S. production. Of this 152 million pounds, 60.3 million was in Colby cheese, which, for all practical purposes, is American cheese. It gets around our import laws by changing its name, which is reminiscent of the old adage: "A skunk by any other name is a poor picnic partner."

The Commodity Credit Corporation purchased 180.5 million pounds of Cheddar cheese in 1967, in a price-support program which had the U.S. Government on one hand buying excess American production and at the same time allowing the substitute for that American production to enter the country in massive quantities. Accordingly, we have been subsidizing a substitute for American production.

The administration has ignored the fact that items containing butterfat should be included in the 707 pounds per annum quota on butterfat