JF!S& to the NEWS

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STEEL INDUSTRY BLUES

One of America's most vital industries is now being badly crippled by the Foreigners First policy in Washington. Government officials seem more eager to toady to foreign economic interests than to prevent American workers from joining the unemployment rolls.

The American steel industry was one of the main reasons why we won World War II. It made all the steel essential for the ships, tanks, guns, shells, trucks, bridges, etc., needed to defeat Germany, Italy, and Japan.

Current U.S. policy is to tax our own steel industry very heavily, discourage capital investment, and strangle it with regulations, while at the same time sending financial aid to foreign countries. The result has been to knock American workers out of jobs and to use U.S. tax dollars to provide jobs for foreigners.

Thirty years of high U.S. taxes and oppressive regulation combined with foreign aid to our competitors are coming home to roost. The Chairman of Bethelehem Steel reports that 60,000 direct steel-making jobs were lost last year alone. That figure doesn't even include the ancillary or supporting jobs.

U.S. Steel executives say that the giant South Works in Chicago might soon have to close down, thereby throwing 8,534 steel workers into the ranks of the unemployed. This is in addition to the 1,823 who have already been laid off and for whom unemployment compensation is about to run out.

The principal factor that is closing the doors of American steel companies is foreign competition. Japanese and European steel 1ndustries are delivering steel to U.S. markets cheaper than we can make it -- and sometimes cheaper than they can make it.

D.on't get the idea that the steel industry likes high tariffs and quotas.

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Steel leaders want free trade because they want to sell abroad, too. They believe we can compete in fair competition because we have the work ethic and the expertise. But they can't compete unless it is fair trade, and that's what it hasn't been.

American steel can compete with foreigners as long as they price their products to cover their full costs. But they don't. Most foreign steel companies are heavily subsidized by government handouts, multi-hundred-million dollar loans, and subsidies of everything from stockpiles to workers.

Foreign steel companies are owned, subsid.ized, financed, or protected by their own governments. They don't have to earn a profit, and they don't have to generate their own capital. The foreign companies also engage in.illegal dumping; that is, they sell at prices less than their cost. They are frankly backed by governments that give full employment a higher priority than showing a profit.

In addition, American aid has enabled foreign countries to build plants which are newer and more efficient than plants in the United States where capital investment is discouraged by our tax structure.

Meanwhile, the industry is being throttled by government regulations. The Council on Wage and Price Stability has released the first of two volumes compiling all Federal regulations that affect the steel industry. It lists 5,600 regulations "for steelmaking only."

Wi11i am Li 11ey I II, the former di rector of the Council , stated: "If the trend in regulatory intervention proceeds at the pace of the past 10 years, there is
no doubt in our mind that the American.,steel industry wi11 become increasingly unwilling and unable to invest in new job-creating plants and equipment."

But the critical part of the steel problem is th t steel companies can't even afford to keep working the plants and equipment they have now, and jobs are disappearing by the thousands.

When will the Administration stop talking about "doubling foreign aid" and other programs to benefit Foreigners Ffrst, and start giving a fair break to the American Worker and Taxpayer?

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